

# Daily Report

## China

FBIS-CHI-87-178

### CONTENTS

15 September 1987

#### INTERNATIONAL AFFAIRS

##### General

Third World Academy of Sciences Meets .....	1
Premier, President Attend .....	1
Deng Honored by Third World Academy .....	1
Zhao Ziyang Speaks At Academy .....	2
Prospects of UN General Assembly Assessed .....	2
Zhao Dongwan On China's Policy .....	3
New Science-Technology Center Opened .....	4

##### United States & Canada

Daily Assesses U.S. Monetary Policy [ <i>RENMIN RIBAO 10 Sep</i> ] .....	4
Deng Pufang, Envoys Visit Canada, U.S. ....	5
Beijing Export Fair Opens in New York .....	5
Canada Aids Nuclear Power Development [ <i>Beijing CHINA DAILY 14 Sep</i> ] .....	6

##### Soviet Union

PRC, USSR Sign Accord on Book Fairs .....	6
U.S.-USSR INF Accord Uncertain .....	7
Soviet Diplomatic Role in Gulf Reviewed .....	7
Heihe City Trade With Soviet Union [ <i>Harbin HEILONGJIANG RIBAO 4 Sep</i> ] .....	8
Soviet Trade Union Delegation Feted .....	9

##### Northeast Asia

Kim Il-song Meets CPPCC Delegation .....	9
PRC Sends Message to DPRK Leaders .....	9
Deng Liqun Visits Book Exhibition .....	10
DPRK Delegation Visits Air Force Academy [ <i>HEBEI RIBAO Sep 25</i> ] .....	10
North Pyongyang Delegation Visits Liaoning .....	10
PRC Comments on No Tae-u's U.S. Trip .....	10
RENMIN RIBAO Commentary [ <i>RENMIN RIBAO OVERSEAS EDITION 12 Sep</i> ] .....	10
XINHUA Commentary .....	11
Japan Reiterates Non-Intervention in Kokaryo Case [ <i>Hong Kong ZHONGGUO XINWEN SHE 11 Sep</i> ] .....	12
XINHUA: Japan Urged To Increase Exports to PRC .....	12
Shanghai Paper Criticizes MITI for Ban [ <i>KYODO 13 Sep</i> ] .....	12
Japanese Delegation Visits Heilongjiang [ <i>Harbin HEILONGJIANG RIBAO 25 Aug</i> ] .....	12
Sino-Japanese Math Seminar in Shanghai .....	12

##### Southeast Asia & Pacific

Malaysian Deputy Premier Concludes Visit .....	13
Wan Li Meets Burmese Delegation .....	13
Burmese Amity Delegation Visits Tianjin .....	13
Trade With ASEAN Members Increasing .....	13
Gao Di Receives Thai Zhengda Group [ <i>Changchun JILIN RIBAO 4 Sep</i> ] .....	14
Australian Official Receives Youth Delegation .....	14

### Near East & South Asia

Nepal's King Birendra Arrives for Visit .....	14
Meets Li Xiannian .....	14
Confers With Zhao Ziyang .....	15
Nepalese Paper Views Visit .....	15
Zhu Qizhen Pays Visit to Pakistan .....	16
Meets Ziaul Haq .....	16
Signs Boundary Protocol .....	16
Roundup Views 'More Turbulent' Gulf [RENMIN RIBAO 10 Sep] .....	16
Geng Biao Meets Kuwaiti Delegation .....	17

### NATIONAL AFFAIRS

Further on Restudying Mao's Ideas [LILUN YUEKAN 25 Aug] .....	18
Article Marks Anniversary of Mao Work [LILUN YUEKAN 25 Aug] .....	21
Chen Muhua Visits Liaoning 11 Sep .....	24
Public Security Head Inspects Jilin .....	24
Commentator on Modernizing Training [JIEFANGJUN BAO 4 Sep] .....	24
Bo Yibo on Cadres' Self-Cultivation [ZHONGGUO QINGNIAN BAO 3 Sep] .....	25
Chen Muhua on Monetary Measures .....	26
Zheng Tuobin Reveals Increased Export .....	27
Song Jian Views Economic Development .....	27
Commentator Hails 'Farmer-Entrepreneurs' [CHINA DAILY 14 Sep] .....	28
14 Rural Reform Experimental Zones Set Up .....	29
Article Discusses Human Rights [GONGREN RIBAO 4 Sep] .....	29
Leaders Stress Education for Xizang .....	30
Text of Archives Law Published .....	31

### REGIONAL AFFAIRS

#### East Region

Fujian's Chen Guangyi Meets Japanese Visitors [FUJIAN RIBAO 2 Sep] .....	34
Shandong's Liang Buting in Disaster Areas [DAZHONG RIBAO 1 Sep] .....	34

#### Central-South Region

Shenzhen Dismisses Officials for 'Mistakes' .....	34
Hong Kong Man Executed in Shenzhen for Rape [Hong Kong SUNDAY STANDARD 13 Sep] .....	34
Vietnamese Refugees Return to Guangdong .....	34
22 Henan Cadres Punished for Corruption .....	34
Mao Zhiyong at Hunan Foreign Trade Talks .....	35

#### Southwest Region

Xizang Meets on Nationalities Affairs .....	35
---	----

#### North Region

Beijing's Li Ximing at Party Data Meeting [BEIJING RIBAO 6 Sep] .....	35
Hebei's Xing Chongzhi Meets Model Heroes [HEBEI RIBAO 3 Sep] .....	35
Xing Chongzhi on Enterprise Reform .....	36
Hebei Congress Committee Meeting Ends .....	36
Tianjin's Li Ruihuan on Market Supply [TIANJIN RIBAO 27 Aug] .....	36

#### Northeast Region

Heilongjiang CYL Congress Ends 13 Sep .....	37
Jilin's Gao Di Inspects River-Taming Work .....	38
Liaoning's Quan Shuren Lectures on Reform .....	38

#### Northwest Region

Gansu's Li Ziqi at CYL Congress Opening .....	39
---	----

TAIWAN

Further on Journalists' Mainland Visit .....	40
Arrive in PRC [Hong Kong HONGKONG STANDARD 15 Sep] .....	40
Interior Minister on Lifting Ban .....	41
Policy Further Relaxed [CHINA POST 10 Sep] .....	41
Government Maintains Position .....	41
Commentary Advocates Visits [Hong Kong ZHONGGUO TONGXUN SHE] .....	41
Commentary Questions Liberalization .....	42
PRC Vessels Continue Provocations off Kinmen .....	43
Baseball Team Plans To Play in PRC [CHINA POST 10 Sep] .....	43
Legislators Want Fair Trade Policy With U.S. ....	43
Government Meets U.S. Import Tariff Cut Plea .....	44
Premier Yu Orders Review of 'Outdated' Laws .....	44
First Sedition Case Since Martial Law Lifted .....	44
Commentary Says Taiwan Independence Dangerous .....	44
Minimum Restrictions on Forming New Parties .....	45
President Receives Costa Rican Legislator .....	45

## General

### Third World Academy of Sciences Meets

#### Premier, President Attend

OW150105 Beijing XINHUA Domestic Service  
in Chinese 0848 GMT 14 Sep 87

[By RENMIN RIBAO reporter Yang Lianghua and XINHUA reporter Meng Xiangjie]

[Text] Beijing, 14 Sep (XINHUA) — The Second General Conference of the Third World Academy of Sciences, attended by nearly 400 eminent scientists from more than 50 countries, opened this morning at the Great Hall of the People in Beijing.

Attending the conference were Zhao Ziyang, Li Xiannian, Fang Yi, Zhou Peiyuan, Qian Xuesen, and others. On behalf of Chairman Deng Xiaoping, President Li Xiannian received a special medal of honor, presented by the Third World Academy of Sciences.

On behalf of the Chinese Government, Premier Zhao Ziyang warmly congratulated the conference. He pointed out: This is the first time the Third World Academy of Sciences has held a conference in a Third World country. This conference itself demonstrates the development of sciences in Third World countries and the highly significant unity and cooperation between scientists. He hoped that this conference is not only one of South-South cooperation, but also to promote North-South cooperation in the field of sciences.

Zhao Ziyang said: During the past 9 years, China has pursued the policies of economic reform and opening to the outside world, which have contributed to the fairly rapid social, economic, scientific, and technological development of the country. The development of sciences in China has won support from scientists throughout the world, including those from the Third World. Chinese scientists have set up close cooperation with scientists abroad.

Zhao Ziyang pointed out: China will continue to implement its policy of opening to the outside world, not only opening to the developed countries, but to the developing nations as well. China will make every effort to establish and develop friendly cooperation with all countries in the fields of science, technology, and economy, in the spirit of mutual respect, equality, and mutual benefit for common progress.

In recognition of China's outstanding contribution to the development of sciences in the Third World, the Third World Academy of Sciences, presented a special medal of honor to Chairman Deng Xiaoping of the Advisory Commission of the CPC Central Committee. President Li Xiannian was pleased to receive the medal on behalf of Chairman Deng Xiaoping, and made a speech to express thanks. He hoped that, under the impetus of the Third World Academy of Sciences, the scientists of the

Third World would strengthen their unity and cooperation, establish a fine relation of cooperation with the developed countries, and join their efforts to play a significant role in the field of science and technology, to bring about rapid economic and social developments in the Third World, and help those countries lift themselves out of poverty and backwardness.

In his opening speech, Abdus Salam, president of the Third World Academy of Sciences said: We have come to this beautiful city of Beijing. Our goal is to deepen our study of China's sciences, which have undergone tremendous changes in recent years. We must spend most of our time in studying how these changes have taken place. He said: The convocation of the Second General Conference of the Third World Academy of Sciences is, primarily, aimed at reviewing and summing up the achievements made by the Third World Academy of Sciences in strengthening South-South, as well as North-South, cooperation in the field of sciences. Next, it is aimed at studying the ever-widening gap between the North and the South in the field of sciences. He held that the basic cause leading to the sharp differences between the North and the South in economy, well-being, and other fields, is science. He called on the Third World to make even greater investments in the study of basic sciences. He also thanked a number of nations and international organizations for their support of the Third World Academy of Sciences.

At today's opening ceremony, Salam also presented awards from the Third World Academy of Sciences to four scientists who have distinguished themselves in the study of science—China's Zhao Zhongxian, who has scored achievements in the study of super-conductors in physics; India's Viswamitra for biology; Egypt's Hassan for chemistry; and Brazil's Peixoto for mathematics.

Lu Jiaxi, executive chairman of the Presidium of the Academy of Sciences of China and chairman of the organizing committee of the assembly; and Hu Qiheng, secretary general of the Academy of Sciences of China and secretary General of China's assembly organizing committee, presided over today's conference.

State or government leaders from Nigeria, Kuwait, Jamaica, Guinea-Bissau, Bolivia, and other countries sent messages and greeting letters to the conference.

#### Deng Honored by Third World Academy

OW141122 Beijing XINHUA in English 1103 GMT  
14 Sep 87

[Text] Beijing, September 14 (XINHUA)—President Abdus Salam of the Third World Academy of Sciences (TWAS) presented a medal to Chinese leader Deng Xiaoping in recognition of his services to science in the Third World.

At the TWAS second general conference, which opened here today, president of the People's Republic of China Li Xiannian received the medal on behalf of Deng.



Abdus Salam said the TWAS instituted recently a special medal for heads of state or government of the developing countries who have rendered distinguished services to science in the Third World.

He said, "it is my honor and pleasure to present the first of these special medals to Chairman Deng Xiaoping for his outstanding services to science in China. During my visit to China last year, I was greatly impressed by its scientific and technological progress. The Chinese leadership has made science the cornerstone of state policy."

On behalf of Deng, President Li expressed thanks to Abdus Salam and conveyed Deng's congratulations to the conference and participants.

At today's opening ceremony, Abdus Salam also presented the 1986 TWAS awards to four scientists—Prof. Zhao Zhongxian (China) for physics, Prof. M.A. Viswamitra (India) for biology, Prof. Saad S.M. Hassan (Egypt) for chemistry, and Professor M.M. Peixoto (Brazil) for mathematics.

#### **Zhao Ziyang Speaks At Academy**

*OW141200 Beijing XINHUA in English 1137 GMT  
14 Sep 87*

[Text] Beijing, September 14 (XINHUA)—Eminent scientists from more than 50 countries gathered here today to attend the second general conference of the Third World Academy of Sciences (TWAS) and discuss the problems of scientific development.

This is the first such conference held in a developing country since the founding of TWAS in 1983.

In his opening speech, Chinese Premier Zhao Ziyang said that the gathering of scientists from developing and developed countries to discuss scientific development signifies the development of sciences in the Third World countries and the unity of scientists of the world, which is of great significance.

President Li Xiannian, State Councillor Fang Yi and Vice-Chairmen of the National Committee of the Chinese People's Political Consultative Conference Zhou Peiyuan and Qian Xuesen attended the ceremony. Professor Lu Jiaxi, chairman of the organizing committee of the assembly, presided over the opening ceremony.

Zhao Ziyang said that in the past nine years, China has pursued the policies of economic reform and opening to the outside world, which have contributed to the fairly rapid social, economic, scientific and technological development in the country. He also paid tribute to the help China has received from overseas scientists including those from the third world.

"Chinese scientists have set up close cooperation with scientists abroad and will continue to maintain and develop such cooperation," Zhao added.

The premier hoped that the conference will promote South-South cooperation in science as well as North-South cooperation.

Even if China becomes well developed in the future, he continued, she will never forget her Third World friends.

Zhao Ziyang reiterated that China will continue its open policy, not only opening to the developed countries but to the developing nations as well.

China will make every effort to establish and develop friendly cooperation with all countries in the fields of science, technology and economy in the spirit of mutual respect, equality and mutual benefit for common progress, he said.

Addressing the gathering, Abdus Salam, president of TWAS, said that the development of science and technology in China has set an example for other developing countries. He expressed gratitude for support to the academy from countries and international organizations.

Also speaking at the opening ceremony were Zhou Guangzhao, president of the Chinese Academy of Sciences, John Kendrew, president of the International Council of Scientific Unions, Alberto Balboni, representative of the Italian Government, and representatives of the Canadian International Development Agency and other world organizations.

#### **Prospects of UN General Assembly Assessed**

*OW141630 Beijing XINHUA in English 1516 GMT  
14 Sep 87*

[By Qian Wenrong, Zhou Cipu]

[Text] United Nations, September 13 (XINHUA)—More than 3,000 representatives from the 159 U.N. member states are gathering here to seek ways of safeguarding world peace and promoting social and economic development at the 42nd session of the U.N. General Assembly.

People inside and outside the organization are expected to follow with interest the progress of discussions on such major issues as disarmament, the problems of Kampuchea and Afghanistan, a Middle East peace conference, the situation in Central America and southern Africa as well as international economic relations.

Disarmament will be high on the agenda. Among the 144 proposed items, 22 are related to this issue, accounting for 15 percent of the total. The promise of Federal Germany to dismantle its Pershing 1A missiles has removed a big obstacle in the U.S.-Soviet talks on eliminating intermediate-range nuclear missiles. Both Washington and Moscow now appear optimistic about reaching an agreement before the end of the year. This prospect will undoubtedly have an impact on the U.N. discussion on disarmament.

Prior to the session, Soviet Foreign Minister Eduard Shevardnadze will meet in Washington with U.S. President Ronald Reagan and hold talks with Secretary of

State George Shultz. The results of these meetings may give some hints whether another summit between Soviet leader Mikhail Gorbachev and President Reagan is possible within the year.

However, the continued arms race between the two superpowers is likely to meet renewed condemnation at the General Assembly session. They will face demands for taking tangible actions to reduce their armament drastically which has far exceeded their defense needs, so as to ease the tense international situation and promote social and economic development of various countries.

Vietnam has been active recently by distributing communiques and statements to publicize a so-called six-point policy of national reconciliation for Kampuchea in an attempt to create confusion in the coming debate on the issue.

The essence of Hanoi's six-point policy is to evade the problem of Vietnamese troops withdrawal from Kampuchea and to turn the Kampuchea issue between aggressors and the victims of aggression into an internal affairs of the Kampuchean people. Hanoi's rejection of a recent overture made by the foreign ministers of ASEAN nations calling for talks between Democratic Kampuchea and Vietnam shows once again that Vietnam has no sincerity in settling the Kampuchea problem peacefully. It can be predicted that the ASEAN group and other countries will ask the forthcoming General Assembly session for another resolution calling for unconditional withdrawal of Vietnamese troops from Kampuchea. Their demand will no doubt be supported by most of the U.N. member states.

The Kabul regime, orchestrated by the Soviet Union, has sent envoys to lobby more than 60 countries before the U.N. General Assembly reopens its debate on Afghanistan. But, following the failure of the just-concluded Geneva indirect negotiations to fix an acceptable timetable of Soviet pullout from that country, the Soviet Union will be accused again in the United Nations for its aggression and armed occupation of Afghanistan.

The issue of a proposed international peace conference on the Middle East will be one of the main issues during the debate of the General Assembly. Israeli Foreign Minister Shimon Peres is expected to attend the Assembly session and have a heavy schedule including a meeting with the Soviet Foreign minister. Diplomats from Arab nations have been following the activities of the United States and Israel.

It is still not clear whether the forthcoming session of the General Assembly will devote time to the problem of Iran-Iraq war, after the Security Council resolution adopted two months ago called on the two countries to stop their seven-year-old conflict was deadlocked. U.N. Secretary General Perez de Cuellar is now visiting Iran and Iraq to seek ways and means to implement the resolution.

If his Gulf trip makes no major breakthrough, the United States may soon ask the Security Council to discuss an arms embargo.

The peace plan reached last month by the heads of state of the five Central American countries in Guatemala has brought new hope to Central America, the situation of which will be discussed at the forthcoming session. The problem now is that the Reagan administration persists in assisting the Nicaraguan anti-government forces and attempts to undermine the plan.

Current world economic development remains very imbalanced. The wide gap between the North and the South is becoming wider and developing countries are confronted with underdevelopment and difficulties for economic development. For a long time, the talks between the developed and developing countries have been in an impasse.

During the forthcoming session, various countries, the Third World countries in particular, will stress the issues related to world economy, while paying attention to world peace and security. They will continue to consider those major economic issues such as trade protectionism, prices of raw materials, foreign debt, the international financial system and the recovery of Africa's economy. The Third World countries will continue their efforts for establishing a fair, reasonable and mutually-beneficial international economic order.

**Zhao Dongwan On China's Policy**  
*OW120845 Beijing XINHUA Domestic Service*  
*in Chinese 1330 GMT 9 Sep 87*

[Text] Vienna, 8 Sep (XINHUA)—Zhao Dongwan, minister of labor and personnel and head of the Chinese delegation, spoke today at the UN conference on regional consultation on developing welfare policy and plan. He expounded on the Chinese Government's policy and measures on developing the economy, safeguarding employment, and achieving a fair distribution of social welfare. His statement was welcomed by delegates attending the conference.

Zhao Dongwan said: Employment is a problem of general concern to all nations, as well as an important part in the realization of social welfare and development. China has a population of 1 billion people. It is not an easy matter to solve the problem of employment. To cope with this problem, we have adopted, in accordance with the state's overall plan and guidance, the principles of having labor departments recommend jobs, voluntary organization of efforts to create jobs, and individual efforts to find jobs. At the same time, we have also reasonably readjusted the production structure and developed the tertiary industry and labor-intensive industry to broaden employment opportunities. It is worth mentioning that the labor service companies set up to solve the employment problem have also played an important part in developing the collective economy and expanding employment. More than 62 million people

have been provided jobs in cities and towns in China from 1979 to 1986. The jobless rate in cities and towns dropped from 5.9 percent in 1979 to 2 percent in 1986. As for the arrangement for surplus labor in rural areas, we have taken the principles of "leaving farm work without leaving rural homes" to prevent large numbers of rural population from flowing into cities, which might add to the burdens and social problems of cities. In this regard, we have made vigorous efforts to build up small towns and develop village and town enterprises, commerce, and various service trades so as to transfer surplus labor in an organized and orderly manner. A total of 70 million surplus laborers have been provided jobs over the years.

He emphasized: The realization of fair distribution is an important aspect of the social welfare policy. The Chinese Government has all along regarded the development of social productivity and the constant promotion of the whole people's material and cultural lives as its most important task and basic responsibility. We have persistently upheld the principle of "to each according to his work and more pay for more work," and have gradually narrowed the income gap between urban and rural residents to bring common prosperity to all people. In social welfare, we have offered a series of labor insurance and collective welfare services, which embody the achievements of economic growth and social development and bring practical benefits to all people in the society. In addition, we have treated men and women equally, paid attention to, showed concern for, and protected and taken care of the handicapped and the young, creating opportunities for them and encouraging them to make contributions to the society.

In conclusion, Zhao Dongwan indicated that he hoped that he could hear and learn from the beneficial experiences of all nations at the conference, facilitate international and regional cooperation, and promote the development of social welfare in the world.

Delegates from more than 20 nations including Poland, Sweden, Hungary, France, and Sudan and international organizations also spoke in today's general debate.

#### **New Science-Technology Center Opened**

OW140850 Beijing XINHUA in English 0717 GMT  
14 Sep 87

[Text] Beijing (CEI)—An international scientific and technological service center was set up in Beijing recently.

The service center will help Chinese and foreign organizations to hold exhibitions on scientific results, conduct technical exchanges, import advanced technology from abroad and provide economic information for Chinese and foreign customers.

The center, located in the western district of the city, has a 400-square meter showroom for the display of latest foreign facilities.

### **United States & Canada**

#### **Daily Assesses U.S. Monetary Policy**

HK140315 Beijing RENMIN RIBAO in Chinese  
10 Sep 87 p 7

[Article by Sun Yi (1327 3015): "Greenspan's Difficult Choice"]

[Text] Not long ago, Allen Greenspan officially succeeded Volcker as chairman of the Board of Governors of the U.S. Federal Reserve System (that is, the country's central bank). According to U.S. laws, the Board of Governors of the Federal Reserve System is a nonpartisan currency management organization appointed by the U.S. President with the approval of the U.S. Senate and it is relatively independent of the President in formulating and enforcing its monetary policies. It has great financial power and influence. Thus, the appointment of Greenspan has drawn attention from among U.S. economists and international finance circles.

People may still remember that when Greenspan's predecessor Volcker assumed office 8 years ago, the United States was experiencing a serious economic recession and the inflation rate was a two-digit figure. Volcker then resolved that the U.S. economy should be invigorated anew mainly by suppressing inflation. Over the past 8 years, resisting pressure from various quarters, he has adhered to a tight money policy, thus contributing much to the sustained growth of the U.S. economy for 5 successive years. Now that this rather remarkable man has been replaced by Greenspan, people naturally wonder whether Greenspan can score as much success as his predecessor.

Whether Greenspan will be successful depends not so much on the kind of monetary policy he is going to adopt as on whether the U.S. economy and the world financial market will positively respond to his monetary policy.

Since 1983, the U.S. economy has been steadily growing and the unemployment rate has been going down. However, compared with the time when Volcker assumed office, the U.S. economy now is much more vulnerable and the international financial market much more unstable. This is a difficult problem for Greenspan.

First, it has become more difficult to control inflation by means of a monetary policy. Although the U.S. inflation rate dropped to 1.1 percent last year, it rose sharply to 5.4 percent in the first half of this year; which is a higher rate than the average 4 percent between 1982 and 1985, as a result of higher oil prices and the depreciation of the U.S. dollar. The sharp rise in the inflation rate has led to worries among U.S. economists. However, given the enormous federal deficit and the checked pace of the country's economic growth, the board of governors of the Federal Reserve System will find it difficult to control inflationary changes by means of a simple monetary policy of tight or easy money. A report recently published by the U.S. Congress says: "The most serious



threat is that if we do not make a serious and sustained effort to reduce the deficit, the maneuverability of our monetary policy, if it is not to induce economic recession or inflation, will be reduced to zero." Second, it is becoming more and more difficult to improve U.S. foreign trade by readjusting the exchange rate. People have always blamed the high exchange rate of the U.S. dollar for the country's enormous trade deficit. However, in spite of the drastic downward readjustment of the U.S. dollar exchange rate, the country's trade deficit still remains enormous. According to the "J Curve effect," the depreciation of the currency of a certain country normally produces favorable effects on its foreign trade in 12 to 18 months. Although the exchange rate of the U.S. dollar has been going down for 2 years, the U.S. trade deficit has not come down to the anticipated level. What is even more ironical is that when the U.S. dollar was plunging and U.S. officials were heartily discussing the turn for the better in foreign trade which they expected to take place this year, the U.S. Commerce Department announced that in June this year, the U.S. trade deficit was \$15.7 billion, a monthly all-time high. This shows that the U.S. trade deficit cannot be reduced by readjusting the exchange rate of the U.S. dollar.

Last, if the Board of Governors of the Federal Reserve System enforces a simplistic monetary policy, it will run into the problem of the exchange rate of the U.S. dollar and inflation producing effects on each other. Volcker did not experience all this during his term of office. If Greenspan wants to save the U.S. dollar, he will have to raise the interest rate and the U.S. dollar exchange rate. However, this will lead to the aggravation of the U.S. Trade deficit and could bring about a new economic recession. On the other hand, if he tries to reduce the trade deficit by continuing with the downward readjustment of the U.S. dollar exchange rate, prices and the inflation rate will go up and economic development will eventually be affected.

Thus, it is not difficult to see that given the vulnerability and complicated character of the U.S. economy, the U.S. money authorities will find it difficult to pursue a simplistic monetary policy. The Board of Governors of the Federal Reserve system under Greenspan's leadership will, to a certain extent, have to make a difficult choice: to protect the U.S. dollar or to protect the economy.

People have noticed that on 4 September, the Board of Governors of the Federal Reserve System raised the current discount rate from 5.5 percent to 6 percent. That has been the first important move taken by Greenspan since he assumed office. People still cannot foretell what effects this move will produce.

**Deng Pufang, Envoys Visit Canada, U.S.**  
*OW150730 Beijing XINHUA in English 0630 GMT*  
15 Sep 87

[Text] Beijing, September 15 (XINHUA)—A delegation from the China Welfare Fund for the Handicapped led

by Deng Pufang, director-in-chief of the fund, left here today for Canada and the United States.

The delegation has been invited by the Ottawa Civic Hospital of Canada and the National Committee for U.S.-China Relations. The visit will last 45 days.

Deng said just before he left Beijing that he hoped that the visit to the two countries would deepen the friendship between the Chinese and Canadian and American handicapped people, and bring their hearts closer.

**Beijing Export Fair Opens in New York**  
*OW150738 Beijing XINHUA in English 0650 GMT*  
15 Sep 87

["Beijing Export Commodities Fair Opens in New York (By He Chengzhang and Lei Lili)"]—XINHUA headline]

[Text] New York, September 14 (XINHUA)—The first Beijing export commodities fair, which was organized by the Beijing Municipal Foreign Economic Relations and Trade Commission, opened here today to the acclaim of more than 500 visitors.

Thirteen Chinese companies are attending the fair, with a great range of products such as textiles, handicrafts, metals, minerals, chemicals, machinery and light industry products. The Hsinghai brand piano made by the Beijing Piano Factory attracted many customers.

Alair Townsend, deputy mayor of New York, said at the opening ceremony, "I'm deeply impressed by the fine quality and excellent designs of the products here and I think people in Beijing should be proud of this."

"We all know the fair is the first, but we are sure it's not the last," he said.

Lawrence Fishking, president of U.S. Special Markets, a consultant firm representing six U.S. companies, said that over the past few years, his firm has shifted its traditional import items to China from Italy and Eastern European countries. He added, "prices of Chinese products are very competitive. The quality is getting better. Each time I see their products, there is improvement."

Fishking's company, mainly dealing with imports of glassware, has purchased one million U.S. dollars of goods from China over the past three years, of which 300,000 dollars were from Beijing.

Zhu Zhimin, deputy manager of China National Light Industrial Products Import and Export Corp., Beijing branch, told XINHUA that the piano, very popular both at home and abroad, has been in great demand because of its "excellent tone, color and quality and competitive price," as one of his customers put it.

"The problem now is not that we cannot sell our products, but that we don't have enough to sell," Zhu said.

He said that one of his potential buyers in the United States wants to reach a deal of 20 Hsinghai pianos a month in order to meet the demand of his 160 sales shops across the country.

Zhu predicted that with improved production equipment and technology, the output is expected to reach 20 a month by the end of 1988.

Yang Shuwu, general manager of China National Textiles Import and Export Corp., Beijing branch, said that Beijing's textile exports to the United States now account for 30 percent of China's total. He predicted that the purchase volume at this year's fair is expected to reach 10 million U.S. dollars, about one-third of the fair's total estimated purchase value.

#### **Canada Aids Nuclear Power Development**

HK140602 Beijing CHINA DAILY  
(BUSINESS WEEKLY supplement) in English  
14 Sep 87 p 1

[By staff reporters]

[Text] International co-operation in the field of China's developing nuclear heating and power industry took a new step forward last week.

A feasibility study on the use of a Slowpoke Energy System (SES) which has been conducted jointly by China and Canada over the last two years, was accepted and signed by nuclear experts and officials from the two countries.

Officials from both sides also discussed further proposed developments as they met during the Sixth Pacific Basin Nuclear Conference held in Beijing last week.

The report, completed by the Beijing Institute of Nuclear Engineering (BINE) and Atomic Energy of Canada Limited (AECL) as part of an umbrella programme on nuclear co-operation between China and Canada, concluded that the SES, with its low pressure and low temperature approach, is appropriate for China.

Based upon studies of energy use in China, the working group has identified 17 potential applications in Qiqihar in northeast China where heating is needed for seven months each year.

The study reported that in comparison with conventional coal heating systems which require large amounts of coal and long distance transport and cause atmospheric pollution, the SES heating system would be beneficial to local people.

Hao Qingyu, director of Science and Technology Department of BINE, said at the signing ceremony on Thursday that the two-year cooperation between BINE and AECL had been sincere and fruitful.

"The purpose of our study was to establish China's first SES as soon as possible. The completion of the feasibility study is only the first step and much effort will follow it," he said.

James Donnelly, president of AECL, who came to China for the conference, met and talked extensively with Chinese nuclear officials on further co-operation.

On Friday afternoon, Donnelly and Chen Zhaobo, the Chinese vice minister of nuclear industry, reviewed the implementation of the umbrella programme and both sides expressed satisfaction over the co-operation.

The programme involves a number of aspects apart from heating reactor systems such as reactor decommissioning which deals with the disposal of old reactors, treatment of nuclear waste, and isotopes for medical use.

Donnelly told *Business Weekly* that in terms of nuclear co-operation with China, AECL was handicapped by China's decision to adopt light water reactors for the two major nuclear power stations in Dayawan and Qinshan. AECL has developed a heavy water system. "We understand it would be impossible for China to have two reactor systems at the same time, and we are keeping a positive attitude over long term and wide ranging co-operation," Donnelly said.

"We have an advanced programme to dispose of nuclear waste," he continued. "We are already co-operating with the United States and Japan in research on nuclear waste disposal. Now we welcome China to join us."

AECL also has a large programme with China's Shenzhen Foodstuff Company to use Canadian Co-60 technology for industrial sterilization.

AECL now has high hopes for the Qiqihar nuclear heating programme and Donnelly said AECL is open to all possibilities including joint venture and technology transfer.

The beauty of a small nuclear heating system is that it won't involve much investment," he said.

Co-operative relations between AECL and the Chinese nuclear industry date back to the 1950s. But this was Donnelly's first visit to China.

He visited Qinshan nuclear power station which is under construction and a number of factories in Shanghai that are making equipment for Qinshan.

"I was impressed," he said. "Though there were things that we may do differently in our country, what we saw gave us confidence that it can be completed."

#### **Soviet Union**

##### **PRC, USSR Sign Accord on Book Fairs**

OW141448 Beijing XINHUA in English 1432 GMT  
14 Sep

[Text] Moscow, September 14 (XINHUA)—China and the Soviet Union will sponsor book fairs in the other's capital cities based on an agreement signed at the last day of the Sixth Moscow International Book Fair today.

The agreement says the Soviet book fair will be held in Beijing from November 11 to 15 to celebrate the 70th anniversary of the October socialist revolution. China will celebrate its 40th birthday with a fair in Moscow from October 1 to 5, 1989.

Besides representatives from each country's publishing circles, famous writers and scholars will also attend the fairs.

At the current book fair in Moscow, representatives of Chinese and Soviet publishers signed other cooperation agreements, including accords to jointly produce textbooks and picture albums.

The Soviet "literature" publishing house plans to publish 40 volumes of Chinese literature in Russian in the next 10 years.

#### **U.S.-USSR INF Accord Uncertain**

OW141300 Beijing XINHUA in English 1238 GMT  
14 Sep 87

["News Analysis: Clouds of Uncertainty Over INF Deal (By Tang Xiushan)"]—XINHUA headline]

[Text] Moscow, September 14 (XINHUA)—The uncertainty about a superpower agreement on intermediate range missiles has been fueled by Moscow's continued downbeat tone on tomorrow's top-level talks in Washington, which have the difficult mission of removing remaining obstacles. It may simply be a test of sincerity.

Soviet officials have been striking pessimistic notes about the agreement's chances in advance of talks between Soviet Foreign Minister Eduard Shevardnadze and U.S. Secretary of State George Shultz in Washington this week.

Shevardnadze left for Washington Sunday and is scheduled to meet U.S. President Ronald Reagan Tuesday, the first day of the talks.

The talks will focus on the snags to a treaty to eliminate intermediate and shorter-range missiles from Europe. There were hopes the deal would be signed this year at a summit in the United States of Soviet leader Mikhail Gorbachev and Reagan.

Soviet Deputy Foreign Minister Aleksandr Bessmertnykh, a member of Shevardnadze's delegation, said Saturday this week's talks will be "difficult." It is not easy to predict what will come from the meeting although there appears a real opportunity to reach an accord on some nuclear arms, he added.

Despite considerable progress in the Geneva arms control talks, major difficulties remain, Bessmertnykh explained.

Earlier, all signs point to the eagerness of both the Kremlin and the White House to reach a disarmament agreement. The Soviet-U.S. talks in Geneva had appeared to be putting finishing touches to a deal.

But the two sides started haggling a few months ago and the Geneva talks have marked time since.

A major sticking point has been Federal Germany's 72 Pershing 1A missiles, which carry nuclear warheads controlled by the United States. Moscow insists that the

Pershings and the warheads be eliminated even after Federal Germany has offered to conditionally dismantle the missiles.

But Washington, ignoring Soviet complaints of its intransigence, has refused to discuss the Pershings, saying they are third-party systems and are not negotiable.

Other outstanding problems include the time period for destroying Soviet and American missiles and measures to verify each country's compliance with a treaty.

The situation has been compounded by a new Soviet demand that the U.S. destroy all 400 Pershing 1A missiles stored in American territory as well as those in Federal Germany.

Washington dismissed the Soviet demand as "mischievous" and questioned whether Moscow was going to "jeopardize" an INF agreement with the demand.

On Friday, Shultz accused Moscow of posing new obstacles to an accord. "The Soviets keep adding new things," and "the question is whether or not they want to move forward," he said.

Moscow countered with accusations that Washington did not want to abolish medium- and shorter-range missiles. It said Shultz's remarks cast doubts on the possibility of an agreement.

Bessmertnykh accused the U.S. of trying to exclude its warheads on the 72 Pershings from the so-called "global double zero option" already endorsed by both sides.

It is fair to ask if Shevardnadze could win compromises and narrow the considerable differences during three days of talks and agree with Shultz on a date for a summit. Even Soviet officials have refrained from giving a definite answer.

Observers here believe that the key to an agreement now lies in the sincerity of each side. A compromise could be at hand if the Americans and the Soviets genuinely want an agreement, each for their own reasons, they say.

Bessmertnykh said the U.S. is painting a rosy picture about the chances for an agreement to give the impression it is sincere about an accord and it is Moscow's fault if talks should fail.

However, Bessmertnykh seemed to be doing much the same himself when he said that it will be very regrettable if there is no agreement after all these Soviet efforts to resolve the problems.

#### **Soviet Diplomatic Role in Gulf Reviewed**

OW131653 Beijing XINHUA in English 1616 GMT  
13 Sep 87

["Soviets make diplomatic gains in the Gulf crisis" by Jing Wuwu, Sun Zhanlin—XINHUA headline]

[Text] Beijing, September 13 (XINHUA)—The world media has recently said much about Soviet movements in the Gulf crisis with a prevailing opinion that Moscow



now has gained much influence in the acute Gulf conflicts.

The situation in the Gulf has become increasingly tense largely because the superpowers have concentrated their military forces through the "escorting" of commercial ships.

Soviets took the lead and Americans followed suit.

But Soviets were afraid of causing themselves trouble and have only some six warships in the Gulf.

In May Iran attacked one Soviet ship and later a Kuwaiti oil tanker leased from the Soviet Union hit a mine in the Gulf, yet Moscow made only a low-key protest over the incidents.

The Soviet stance has gradually eased Iran's anger over the Soviet offer to escort Kuwaiti oil tankers.

In the meantime, Washington, which decided one month later than Soviets to offer naval escorts for Kuwaiti ships with the purpose of freeing the area from the Soviet control and for the American interest in the Gulf, made much of its escorts. It has sent 41 warships into the Gulf now, and the U.S.-Iran conflict has escalated.

Some Arab nations in the Gulf have showed more unease and discontent about the deteriorating situation caused by growing American military presence.

In early July, the Soviet Government made a statement calling for the withdrawal of all military ships of non-Gulf nations from the area within the shortest possible time.

Later Soviet leader Mikhail Gorbachev wrote two letters to U.S. President Ronald Reagan, charging that Washington's substantial military presence "caused tense situation in the Gulf." Gorbachev proposed the two countries hold a "specific discussion" of the problem.

Moscow took advantage of many international and diplomatic occasions to repeat its Gulf position while sharply criticizing the U.S. for its attempt to "seek political and military supremacy" in this strategic area.

Soviets scored a propaganda success over Americans by first sending warships into the Gulf and then calling for a complete withdrawal.

The American escort efforts have led to direct confrontation with Iran while the Soviets stepped up their efforts to improve relations with Iran and play an active role in mediating the Iran-Iraq war.

From mid-June to early August, the Soviet First Deputy Foreign Minister Yuliy Vorontsov shuttled between Iran and Iraq for talks with the leaders of the warring countries.

The Soviet Union also held talks with Iranian officials to improve bilateral relations and cooperation. After Vorontsov's visit to Iran in June, an Iranian evening newspaper said that initial Soviet deployment of ships for escort duty gave the Americans the green light for increasing their military presence. But Vorontsov found a common position with Iran to oppose the American presence in the Gulf as the Soviets and the Iranians stressed the importance of their bilateral relations.

Already having a rather comfortable relationship with Iraq, Soviets now cut both ways by having improved relations with Iran.

On the eve of U.N. Secretary General Javier Perez de Cuellar's peace mission to Tehran and Baghdad September 10, the Soviets invited Iranian Vice Foreign Minister Muhammad Larijani to Moscow to discuss bilateral relations and the Gulf crisis.

It has been reported that the two sides have reached an agreement in principle to export Iranian oil through the Black Sea.

A seven-member Arab League delegation, including Iraqi Foreign Minister Tariq Aziz, followed the Iranian vice foreign minister and went to Moscow for the talks on the Gulf situation.

An Arab diplomat in Moscow said those visits indicated that Moscow is now in a very good position in the Iran-Iraq conflict and play their cards very well.

The Western media said that Moscow's policy of "little military involvement and much diplomatic and propaganda moves" has put the Soviets in a good position and scored many points in the Gulf diplomatic rivalry with the United States.

A *Washington Post* editorial in July said Moscow's diplomatic stratagem strengthened Soviet "political and economic influence" in the Gulf area and gave an unprecedented challenge to the United States.

#### **Heihe City Trade With Soviet Union**

SK150927 Harbin HEILONGJIANG RIBAO in Chinese 4 Sep 87

[Text] The nonrenewable local trade of goods of equal value between Heihe City and Blagovescensk of the Soviet Union's Amur Oblast, which faces the city across the river, has begun.

On 1 September a self-propelled barge, sent by the Amur Oblast's Consumers' Cooperative to collect the goods, entered Heihe Port. After being loaded with 200 tons of watermelons provided by the Heihe Border Trade Company, it left on 2 September. The trade was carried out in the spirit of a meeting held by the local trade delegations of the two countries on 31 July. During the period when the cargo ship berthed at the port, responsible persons of the Heihe Prefectural Commissioner's Office

and the border trade company held a discussion with leaders of the Amur Oblast Executive Committee and the consumers' cooperative on matters concerning future barter trade.

#### **Soviet Trade Union Delegation Feted**

*OW140550 Beijing in Russian to the USSR 1800 GMT  
13 Sep 87*

[Text] Ni Zhifu, president of the PRC All-China Federation of Trade Unions, met with the Soviet trade union delegation, headed by Makeyev, secretary of the USSR All-Union Central Council of Trade Unions, in Beijing on the morning of September 12. A friendly talk ensued between the two on questions of mutual interest.

Before the meeting, Fang Jiade, member of the All-China Federation of Trade Unions Secretariat, held a reception in honor of the Soviet guests and held talks with the Soviet delegation.

The Soviet trade union delegation, consisting of six members, arrived by plane in Beijing at noon on September 10 at the invitation of the Chinese Trade Union Federation. Besides Beijing, the Soviet visitors will also visit Guangzhou, Shenzhen, and Shanghai.

#### **Northeast Asia**

##### **Kim Il-song Meets CPPCC Delegation**

*OW140932 Beijing XINHUA in English 0926 GMT  
14 Sep 87*

[Text] Pyongyang, September 14 (XINHUA)—President Kim Il-song today met with a delegation of the national committee of the Chinese People's Political Consultative Conference (NCCPPCC).

President Kim briefed the delegation, headed by vice-president of NCCPPCC Yang Jingren, on the recent economic development in the Democratic Peoples Republic of Korea.

Yang conveyed to Kim greetings from Chinese leaders Deng Xiaoping, Zhao Ziyang, Li Xiannian and Deng Yingchao.

##### **PRC Sends Message to DPRK Leaders**

*SK120913 Beijing International Service in Korean  
1100 GMT 8 Sep 87*

[Text] September 9 marks the 39th anniversary of the founding of the DPRK. On the occasion of this significant day, Comrade Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the State Council; Comrade Li Xiannian, president of the PRC; and Comrade Peng Zhen, chairman of the Standing Committee of the PRC NPC; have sent a congratulatory message to Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the DPRK, and Comrade Yi Kun-mo, premier of the DPRK State Administration Council. The text of the message reads:

Pyongyang:

Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK, and Comrade Yi Kun-mo, premier of the DPRK State Administration Council;

On the occasion of the 30th anniversary of the founding of the DPRK, we, on behalf of the CPC, the Chinese Government, and the Chinese people, extend warm congratulations to you and, through you, to the WPK, the Korean Government, and the Korean people.

The founding of the DPRK is not only the victory the Korean people have won through their protracted revolutionary struggle, but also shows that, proceeding from this, the Korean revolution has entered an era of historic new development. For the past 39 years the Korean people, under the leadership of the WPK headed by President Kim Il-song, have registered brilliant achievements over the course of repelling the aggression of foreign forces and carrying out peaceful construction with their stubborn will and steady labor. They have thus built Korea, which was poor and backward in the past, into a great socialist country.

Today, the Korean people are vigorously struggling to implement the grand goal put forth at the Sixth WPK Congress to carry out the Third 7-year Plan ahead of schedule.

The Chinese people sincerely wish the Korean people greater success in the future in their revolutionary struggle and construction.

The WPK and the Korean Government have long made constant efforts to achieve the independent and peaceful reunification of the country and have put forward a series of constructive proposals and assertions, including proposals to found a Democratic Confederal Republic of Koryo and to hold tripartite talks and high-level North-South political and military talks. All of this has won support from the Chinese people and many peace-loving countries and people.

Some time ago, the Korean Government issued a statement calling for the North and the South of Korea and the United States to reduce their armed forces in a phased manner and to withdraw their military troops. This constitutes another strong expression of the sincerity of the North of Korea to alleviate the tense situation on the Korean peninsula.

We firmly believe that the beautiful land of Korea will be reunified without fail by the energetic efforts of the Korean people and that all the compatriots in the north and the south of Korea will live together peacefully.

The people of the two countries of China and Korea have forged a deep friendship in their protracted revolutionary struggle and construction. Using the official and goodwill visit of President Kim Il-song to our country

last May as an occasion, friendly and cooperative relations between our two parties, two countries, and two peoples have been further strengthened and developed.

Expressing great satisfaction with this, we sincerely wish that the China-Korea friendship will be eternal.

[Signed] Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the PRC State Council; Li Xiannian, president of the PRC; and Peng Zhen, chairman of the Standing Committee of the PRC NPC [Dated] 8 September 1987, Beijing

#### **Deng Liqun Visits Book Exhibition**

OW141218 Beijing XINHUA in English 1144 GMT  
14 Sep 87

[Text] Beijing, September 14 (XINHUA)—Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, today visited a book exhibition of the Democratic People's Republic of Korea (DPRK) being held at the Museum of the Chinese Revolution in Beijing.

On display were 3,500 volumes of books in 670 titles, mainly works by Kim Il-song, Kim Chong-il as well as books and pictorials on Korean literature, art and history.

A Chinese book exhibition is also expected to be held in Pyongyang, the capital of the DPRK, from September 30. This is the first time China and the DPRK hold book exhibitions in each other's countries.

#### **DPRK Delegation Visits Air Force Academy**

SK140115 Shijiazhuang HEBEI RIBAO in Chinese  
25 Aug 87 p 1

[Text] On the morning of August 24, the DPRK's military delegation headed by General O Kuk-yol, member of the Political Bureau of the Workers Party of Korea Central Committee and chief of the General Staff of the Korean People's Army, which was accompanied by Xu Xin, deputy chief of the PLA General Staff, arrived by special plane at the Air Force Academy in Shijiazhuang City to view the exciting demonstration flight of the PLA "August 1st" flying group.

At 1030 nine bright-colored fighters zoomed over the academy's air field to display their flying technique to the honored Korean guests who continuously applauded at their perfect skill and outstanding flying performance.

General O Kuk-yol and his entourage also viewed the academy's teaching facilities and were briefed by the academy's responsible personnel on the schooling situation. The Shijiazhuang Air Force Academy is one of the early-established pilot schools of the PLA Air Force, and has trained a large number of pilots for the Chinese and foreign air forces. During the struggle to resist U.S. aggression and aid Korea, the academy also made all-out efforts to support the forefront. According to incomplete

statistics, pilots who graduated from this academy have brought down over 90 enemy planes and became a large number of combat heroes, including Wang Hai, Li Yongtai, and Fan Wanzhang. Wang Hai, commander of the PLA Air Force, brought down nine enemy planes and was conferred by the PLA authorities with the special class merit citation and by the DPRK Government with the second class national flag medal and the second class free and independent medal.

General O Kuk-yol and his entourage arrived in China on August 17 for a friendship visit to the country.

#### **North Pyongyang Delegation Visits Liaoning**

SK150500 Shenyang Liaoning Provincial Service  
in Mandarin 1030 GMT 14 Sep 87

[Text] Upon the invitation of the Liaoning Provincial People's Government, an eight-member people's goodwill delegation from the DPRK's North Pyongyang Province, headed by Kim Hui-haeng, vice chairman of the North Pyongyang Provincial Administrative and Economic Guidance Committee, arrived in Shenyang by train this afternoon for a friendly visit to our province.

Meeting the delegation at the railway station were Zuo Kun, provincial vice governor; Ai Tingjun, vice mayor of Shenyang City; and responsible comrades of the provincial and the Shenyang City foreign affairs offices. Yu Man-pok, consul general of the DPRK Consulate in Shenyang, also greeted the guests at the station.

#### **PRC Comments on No Tae-u's U.S. Trip**

##### **RENMIN RIBAO Commentary**

HK120300 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 12 Sep 87 p 1

[Commentary by Correspondent Guo Quanyou (6753 0356 2589): "A Major Pre-election Step—Commenting on No Tae-u's U.S. Trip"]

[Text] At the key moment in the election struggle between government and people, Korean officials have suddenly announced that No Tae-u, the new president of the ruling Democratic Justice Party [DJP] and its candidate in the next presidential election, will leave for the United States on 13 September.

According to reports, during his one-week visit, No will hold a series of talks with President Reagan, Secretary of State Shultz, and leaders of Congress on "issues of common concern to the two sides, such as political developments in South Korea," and will also lecture at a number of universities. It is quite evident that the aim of No Tae-u's U.S. trip is to improve his image and seek support, to reach his goal of winning the imminent presidential election.

No Tae-u is visiting the United States against the background of a "busy autumn" in South Korean politics. The after-effects of the mass student movement in June



are still being felt, floods in July caused serious economic losses, and there have been over 3,000 worker struggles in the past 2 months. In particular, the struggle between the government and the people centering on the elections is becoming fiercer every day. As a result the South Korean authorities have landed in an extremely grave predicament. That No Tae-u, described as "the general front commander" of the ruling party, can leave Seoul in these circumstances and take a week's trip naturally involves a feeling of "finding it difficult to go" that is hard to talk about.

As far as No Tae-u himself is concerned, he studied at a U.S. military academy in his early years, later took part in the U.S. war of aggression against Vietnam, and was recently promoted president of the DJP. Naturally he could not get away from his American background in all this. Despite that, due to his inglorious role in the "army purge" coup and the "Kwangchu tragedy," his image among the South Korean and American people remains that of "a military man holding a knife dripping blood." In particular, considering the United States' "decisive" role in South Korean politics, it is essential that No Tae-u visit the United States if he wants to ascend the presidential throne in the next election, and take this opportunity to improve his poor image.

It is generally estimated that there are no major outstanding issues in relations between South Korea and the United States. However there are many problems that require discussion. In the political field, the actions of the South Korean ruling party in strangling democracy over a long period, thereby causing turmoil, threaten U.S. interests in the Far East and have aroused strong discontent in the United States, both inside and outside Congress; in the economic field, a struggle over exchange rates has developed since the devaluation of the dollar, and the dumping of South Korean goods in America has caused trade friction; in the military field, South Korea urgently needs the United States to increase "military aid" and provide new weapons; in the diplomatic field, there are still problems over the holding of the Olympic Games in Seoul. All these can become major topics at "high-level talks" between the two sides. However, there is no doubt that No Tae-u's primary mission on this trip is to seek U.S. support in stabilizing the South Korean political situation and in the presidential election campaign. At the end of August and the beginning of September, the two major political parties in South Korea reached a compromise in their consultations on "amending the constitution," and talks between the presidents of the two parties reached initial compromise agreements on major political questions such as holding elections at yearend and handing over power next February. However, as far as the presidential elections are concerned, as a major Seoul newspaper pointed out, "the road ahead is much longer and much more difficult than the one already." What causes South Korean public opinion the greatest concern is the possibility of the student movement linking up with the workers' struggle. Such a trend has been described as "the greatest factor for instability." The South Korean authorities hope that

the United States will give them more support. This is precisely the real reason why No Tae-u "is making a trip abroad despite being so busy." This visit will have a direct bearing on the evolution of the South Korean political situation, the prospects for the presidential election, and the political fate of the DJP and No Tae-u himself. It is therefore attracting plenty of attention.

#### XINHUA Commentary

*Beijing XINHUA in English 0110 GMT 11 Sep 87*

[“Commentary: No Tae-u Seeks Support From Washington (By Guo Quanyou)”—XINHUA headline]

[Text] Beijing, September 10 (XINHUA) — Seoul announced Tuesday that ruling Democratic Justice Party (DJP) President No Tae-u will pay a week-long visit to the United States beginning September 13. The apparent intent is to seek support for the party's victory in presidential elections.

No will hold a series of talks with President Ronald Reagan and Secretary of State George Shultz on South Korea's political development and other issues of common concern.

His visit to Washington comes as South Korea is in a transitional period. Large-scale student demonstrations for democracy last June have left their mark; workers demanding higher wages have been staging strikes for two months; the increasingly intensive struggle between the authorities and the opposition on constitutional reform has left the political system in an uproar.

The DJP and the main opposition Reunification Democratic Party (RDP) have been holding negotiations on constitutional reform since July 31. The two sides have reached some agreement on such issues as the time table for a presidential election and the possible shift of power to a new ruling party.

No graduated from U.S. Army special warfare school and later joined the U.S.-Vietnamese war on the U.S. side. He was elected last July DJP chief. He is generally believed to have been influenced by U.S. policies.

In South Korea, he still carries the image of "a soldier with a bloody knife" as he ordered armed forces to kill and wound several thousand people in the 1980 Kwangju uprising.

No hopes to improve this image during his Washington visit.

Economically, U.S.-South Korean trade friction is increasing as South Korea has been dumping goods in the U.S. market after the depreciation of the U.S. dollar.

Militarily, Seoul urgently wants the U.S. to increase its military assistance and provide advanced arms. Also, some problems about hosting of the 1988 Seoul Olympic games are yet to be resolved.

No needs more support from the U.S. and and it remains to be seen if his Washington visit can pull it off.

**Japan Reiterates Non-Intervention in Kokaryo Case**  
*HK111320 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1217 GMT 11 Sep 87*

[Text] Tokyo, 11 Sep (ZHONGGUO XINWEN SHE)—Japanese Chief Cabinet Secretary Gotoda said at a press conference here this afternoon that regarding the settlement of the Kokaryo Dormitory issue, the Japanese Government would adhere to the principle of the separation of the functions of the three branches of government, and had no say in it, and that Japan recognized one China with Taiwan as part of its territory.

According to *Asahi Shimbun* and *Yomiuri Shimbun*, yesterday, at a meeting with the Japanese Democratic Socialist Party delegation, Chairman Sun Pinghua of the Sino-Japanese Friendship Association said that the Kokaryo Dormitory was Chinese property and that he hoped that the Nakasone cabinet would be able to settle the Kokaryo Dormitory issue before the end of its term of office. Today, Japanese reporters asked Chief Cabinet Secretary Gotoda questions on this.

**XINHUA: Japan Urged To Increase Exports to PRC**  
*OW112121 Beijing XINHUA in English 1559 GMT 11 Sep 87*

[Text] Tokyo, September 11 (XINHUA)—A Japanese trade group today urged its government to expand Sino-Japanese trade, which has suffered since Japan tightened trade controls in the wake of the recent Toshiba Machine Co. case.

During a meeting with Japanese Government trade officials, Yoshio Sakurachi, chairman of the Association for the Promotion of International Trade, complained that it now takes three to four months for Japanese traders to obtain a license for exports to China, as against one or two months last April when the Toshiba case was revealed.

The backlog of exports to China has piled up since then and now exceeds 1,000 shipments, he said.

Sakurachi stressed that the Toshiba case had no connection with China and urged the Japanese Government to hasten procedures on China-bound exports from Japan.

The Toshiba Machine Co. was punished by the Japanese Government for selling security-sensitive milling machines to the Soviet Union in the 1980s. The sale was considered a violation of the Coordinating Committee for Export Control (COCOM), a Paris-based watchdog of 16 western countries that monitors the export of strategically important products to communist countries.

**Shanghai Paper Criticizes MITI for Ban**  
*OW131025 Tokyo KYODO in English 1009 GMT 13 Sep 87*

[Text] Shanghai, Sept. 13 (KYODO)—The Shanghai newspaper *Wen Hui Bao* Sunday accused Japan's Ministry of International Trade and Industry (MITI) of banning exports by Toshiba Machine Co. to communist bloc nations.

The paper said because of the one-year export ban, Toshiba is unable to fulfill its contracts concluded with China and added China has the right to demand damages caused by the ban.

MITI has banned Toshiba exports to communist nations because it exported sensitive machine tools to the Soviet Union in violation of rules of COCOM, a multinational body to monitor exports to these nations.

The paper said MITI took the action although it was fully aware of the fact that Toshiba has concluded big export contracts with China.

**Japanese Delegation Visits Heilongjiang**  
*SK140033 Harbin HEILONGJIANG RIBAO in Chinese 25 Aug 87 p 1*

[Text] Upon the invitation of Gong Benyan, Mayor of Harbin City, and the Harbin Branch of the Chinese Council for Promotion of International Trade, an economic exchange and promotion delegation from Japan's Hakodate City arrived in Harbin on 24 August for a friendly visit. Led by Kidoura Ryuichi, head of the delegation and mayor of Hakodate City, the delegation paid an official call on the Heilongjiang Provincial People's Congress and the provincial government.

During the official call, Liu Zhongli, vice governor of Heilongjiang Province, and Chen Yuanzhi, vice chairman of the provincial People's Congress Standing Committee, briefed the Japanese guests on Heilongjiang's economic development and natural resources. Vice Governor Liu expressed hope that the Japanese guests would conduct economic and trade contacts with Heilongjiang Province. The Japanese guests expressed much interest on this suggestion. Hakodate City Mayor Kidoura Ryuichi maintained that this delegation, composed of government functionaries and enterprise personages, would lay a good foundation for the economic contacts between Hakodate City and Heilongjiang Province.

Pertinent departments and bureaus of the provincial government also attended the official call. In addition to meeting with the pertinent departments of the province and Harbin City during its stay in Harbin, this delegation will visit some industrial and commercial enterprises.

**Sino-Japanese Math Seminar in Shanghai**  
*OW141322 Beijing XINHUA in English 1311 GMT 14 Sep 87*

[Text] Shanghai, September 14 (XINHUA)—A Sino-Japanese seminar on reliability mathematics opened here Sunday, according to a seminar official.

Reliability mathematics, one of the branches of modern applied mathematics, is widely applied in the electronics, spaceflight, aviation, nuclear, machine-building, communications, power, railway and light industries.

At the three-day seminar, attended by 100 Chinese and 20 Japanese scholars, over 80 papers covering the above fields will be discussed. Of the papers, 67 are from the Chinese side and 19 from the Japanese, the official said.

Some of the papers will be compiled into books which will be published in Singapore and sold worldwide, he said.

The seminar is sponsored by the Operations Research Society of the China Reliability Mathematics Committee and supported by the Operations Research Society of Japan.

### **Southeast Asia & Pacific**

#### **Malaysian Deputy Premier Concludes Visit**

OW131434 Beijing XINHUA in English 1325 GMT  
13 Sep 87

[Text] Guangzhou, September 13 (XINHUA)—Malaysian Deputy Prime Minister Ghafar Baba and his party left here for home by air this afternoon at the end of their visit to China.

#### **Wan Li Meets Burmese Delegation**

OW121220 Beijing XINHUA in English 1159 GMT  
12 Sep 87

[Text] Beijing, September 12 (XINHUA)—Vice-Premier Wan Li met here today with a Burmese goodwill delegation led by U Aung Thein, secretary of the Burmese Socialist Program Party.

Wan Li expressed warm welcome to the Burmese friends on behalf of the Chinese government. He believed that the visit by the delegation will further promote the friendly cooperative relations between the two countries and the "paukphaw" (fraternity) feelings between their peoples.

The Burmese visitors are here as guests of the Chinese People's Association for Friendship with Foreign Countries.

#### **Burmese Amity Delegation Visits Tianjin**

SK142358 Tianjin City Service in Mandarin 2300 GMT  
13 Sep 87

[Text] At the invitation of the Chinese People's Association for Friendship With Foreign Countries, the 11-member Burmese amity delegation headed by U U Aye Ko, secretary of the Council of State, which was accompanied by Wang Fulin, vice president of the Chinese People's Association for Friendship With Foreign Countries, paid a friendly visit to Tianjin from 12 to 14 September.

On the evening of 13 September, Zhang Zaiwang, chairman of the Standing Committee of the municipal People's Congress, received and feted all members of the delegation at a guesthouse. Also attending the reception were Shi Jian, vice chairman of the Standing Committee of the municipal People's Congress, and Wang Ping, vice president of the municipal Association for Friendship With Foreign Countries.

#### **Trade With ASEAN Members Increasing**

OW120740 Beijing XINHUA in English 0641 GMT  
12 Sep 87

[Text] Beijing, September 12 (XINHUA)—China's trade with member countries of the Association of Southeast Asian Nations (ASEAN) grew substantially during the first seven months of this year, *China Daily* reported today.

Trade between China and ASEAN countries was more than 2.12 billion U.S. dollars in January-July this year, compared with about 1.8 billion in the same period last year.

China's exports to ASEAN countries were worth 1.16 billion U.S. dollars during the seven months, 134 million U.S. dollars more than last year. Its imports were valued at 960 million U.S. dollars, an increase of about 183 million U.S. dollars from a year ago.

The biggest increase was recorded in the trade volume between China and Indonesia, which grew by more than 120 million U.S. dollars during the first seven months of this year.

Singapore ranked first in terms of total trade volume with China, but fifth in terms of the growth rate. Sino-Singaporean trade during the first seven months of this year was 958.57 million U.S. dollars, up 30 million U.S. dollars over a year ago.

During this period, Singapore's imports from China dropped by 5.53 million U.S. dollars from a year ago, while its exports to China grew by more than 45.71 million U.S. dollars to reach 293.76 million U.S. dollars.

Brunei is the only ASEAN member that traded with China on a one-way basis. It imported 2.19 million U.S. dollars of goods from China during the first seven months of this year, compared with 1.48 million U.S. dollars in the same period of last year.

ASEAN members are Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. The association's trade with China totalled about 11.67 billion yuan (3.43 billion U.S. dollars) last year.

Singapore, which has been China's largest trading partner among the ASEAN countries, last month expressed its hope that other ASEAN countries could expand their trade with China and its own readiness to help in this effort.



Chandra Das, chairman of the Singapore government's parliamentary committee on foreign affairs and defence, said in an issue of *Petir*—the official publication of the ruling people's action party—that the ASEAN countries' development of trade with China need not be competitive.

He said moves by other ASEAN countries to trade with China would not be at Singapore's expense, and that his country's neighbors could use Singapore to overcome cultural and language barriers and to understand China's methods of doing business. This is because more than 70 percent of his country's population are Chinese and Chinese is one of his government's official languages.

He also said the availability of low-cost labor and vast natural resources in some ASEAN countries could be complemented by Singapore's good research facilities, financial and physical infrastructure and transport network to produce goods for the Chinese market.

#### **Gao Di Receives Thai Zhengda Group**

SK150922 Changchun JILIN RIBAO in Chinese  
4 Sep 87 p 1

[Text] On the evening of 3 September at the Nanhu Guesthouse, Gao Di, secretary of the provincial party committee, received and feted Xie Guomin, head of the Thai Zhengda Group, and his party.

Both host and guests felt like old friends at the first meeting and pleasantly talked with each other amid an extremely cordial and friendly atmosphere at the meeting hall on the second floor of the guesthouse. Gao Di first extended a warm welcome to Xie Guomin on his third visit to China and expressed heartfelt thanks to the Zhengda Group for its cooperation with our province.

With regard to the development of forage and farm industries, Gao Di said: With rich resources of grain, particularly corn, our province has to develop grain processing and transformation industries. As a developing province, Jilin has a strain on its technologies and capital. So all foreign friends are welcomed to make investments in our province or to conduct cooperation with us. Along with the ceaseless deepening of reform, we have created conditions for bringing in more foreign capital.

Xie Guomin took great interest in this. He said that they were willing to extensively conduct cooperation with Jilin Province in forage, farm, and other spheres. Gao Di said: We have laid a good foundation for cooperation. The forage plant built with investment jointly offered by Jilin Province and the Thai Zhengda Group has scored good economic results and social benefits. We have great prospects for cooperation. I hope that you will take this opportunity to visit more places and to have a clear understanding of the province in order to open more avenues for conducting cooperation in all fields. Xie Guomin also agreed that this was their aspiration as well.

The meeting hall was filled with a friendly atmosphere. Also present at the reception were Gau Wen, vice governor of the province; Li Mo, deputy secretary general of

the provincial government; Bi Kebin, head of the provincial foreign affairs office; Li Decheng, chairman of the provincial planning and economic commission; and responsible persons of provincial departments concerned. They also held talks with the visitors. Both parties wished a further development of mutual economic and technological cooperation and the deepening of the friendship between Jilin Province and the Thai Zhengda Group in the course of cooperation.

#### **Australian Official Receives Youth Delegation**

OW081737 Beijing XINHUA in English 1600 GMT  
8 Sep 87

[Text] Canberra, September 8 (XINHUA) — Australian Special Minister of State Susan Ryan, today met and held friendly talks with the Chinese youth delegation led by chairman of All-China Youth Federation Liu Yandong here today.

The five-person Chinese youth delegation arrived in Melbourne on September 4 to pay a return visit to Australia at the invitation of the Australian political exchange committee, a semi-official organisation with an aim of promoting exchanges among the young political activists in the pacific region.

During the meeting, Senator Ryan and Liu talked about the possibility of extending the exchange of young activists from the political to economic and technical fields. Ryan indicated that Chinese young entrepreneurs and workers are welcomed to visit Australia.

The Chinese goodwill delegation would leave for home on September 13.

#### **Near East & South Asia**

##### **Nepal's King Birendra Arrives for Visit**

OW142116 Beijing XINHUA in English 1536 GMT  
14 Sep 87

[Text] Beijing, September 14 (XINHUA) — Nepalese King Birendra and Queen Aishwarya flew into Beijing this evening to begin their official visit to China.

They were met at the airport by Liu Yi, chairman of the Reception Committee of the Chinese Government and minister of commerce, and Liu Shuqing, vice-foreign minister.

The distinguished visitors have come at the invitation of Chinese President Li Xiannian who is scheduled to preside over a formal welcoming ceremony and give a banquet in their honour tomorrow.

Chinese Premier Zhao Ziyang is also expected to have talks with King Birendra tomorrow.

##### **Meets Li Xiannian**

OW150648 Beijing XINHUA in English 0636 GMT  
15 Sep 87

[Text] Beijing, September 15 (XINHUA)—Chinese President Li Xiannian today expressed warm welcome to King of Nepal Birendra Bir Bikram Shah Dev and Queen Aishwarya Rajya Lakshmi Devi.

At a meeting in the Great Hall of the People, Li said China and Nepal have been on "very good terms," adding that "we're good friends and good neighbors and Sino-Nepalese friendship has stood tests."

Li expressed the belief that the current visit by the king and queen will further promote Sino-Nepalese friendly relations.

Li spoke highly of Nepal's achievements in its economic construction and the king's important role in promoting regional cooperation in South Asia, and reiterated his support to Nepal's efforts in this regard.

"I've long supported the king's proposal on declaring Nepal a peace zone," he said.

Birendra thanked Li for inviting him and the queen to come to visit China again. "I've been looking forward to visiting China and meeting Chinese leaders and people," he added.

Li and Birendra held talks on international issues of common concern.

Prior to the meeting, Li presided over a welcoming ceremony for the Nepalese guests. Amidst the 21-gun salute the king reviewed a guard of honor of the three services of the Chinese People's Liberation Army.

On hand were Lin Jiamei, wife of Li Xiannian, Bainqen Erdini Qoigy Gyancan, vice-chairman of the standing committee of the national people's congress, Wu Xueqian, state councillor and foreign minister, and the king's entourage.

#### **Confers With Zhao Ziyang**

OW150854 Beijing XINHUA in English 0833 GMT  
15 Sep 87

[Text] Beijing, September 15 (XINHUA)—Chinese Premier Zhao Ziyang said here today that the Sino-Nepalese relationship can serve as a model for fostering friendly relations between nations.

The premier made this remark during his talks with visiting Nepalese King Birendra here earlier today.

Zhao praised King Birendra for his great contributions to developing the Sino-Nepalese friendship, adding that China and Nepal are true friends, who always support and trust each other.

He reiterated that it is China's consistent policy to develop friendly relations with Nepal.

"We are going to continue our efforts to further relations between our two countries as well as our cooperation in international affairs," he added.

Zhao pledged that China will do within its capability to cooperate with Nepal in the latter's economic development.

Zhao noted that there is a sound basis for the Sino-Nepalese friendly relations, which enjoy broad prospects for future development.

The Chinese premier and the Nepalese king discussed the furtherance of friendly cooperation between China's Tibet Autonomous Region and Nepal. They agreed that there should be greater development in the personnel contacts, trade as well as tourism and transport cooperation between Tibet and Nepal.

King Birendra expressed satisfaction with the friendly cooperation and mutual understanding between Nepal and China. He said that Nepal will continue its efforts to expand its friendly relations with China since the further development of such relations will be good for both countries.

King Birendra also briefed the Chinese premier on the development of Nepal and its relevant policies as well as the development of cooperation in South Asia.

Zhao paid tribute to Nepal's efforts in promoting South Asian cooperation and expressed the hope that this cooperation will grow fruitfully.

The two leaders also exchanged views on international issues of mutual interest.

Kang Keqing, vice-chairperson of the National Committee of the Chinese People's Political Consultative Conference and president of the All-China Women's Federation, met with Queen Aishwarya here this morning.

#### **Nepalese Paper Views Visit**

OW131509 Beijing XINHUA in English 1448 GMT  
13 Sep 87

[Text] Katmandu, September 13 (XINHUA)—The intimate friendship subsisting and continuously flourishing between Nepal and China "presents a unique example of peaceful coexistence", an editorial of *The Current Affairs*, a local news weekly says today.

It says, "even though both these countries have different political systems and life styles, it is indeed a matter of extreme satisfaction that no problem ever arose between the two. Despite different socio-economic conditions they both hold identical or similar views on almost all major international issues."

It points out, "these apart, China has throughout been providing most liberal and productive assistance in the all round development of Nepal. What is most encouraging about the aid we have been receiving from China is that any project which is completed with Chinese cooperation has an immediate and direct bearing in improving our national economy."

It continues, "the assistance China provides is never attached with any condition or string. Even though in size, economy, population and progress China is a giant before Nepal yet the Nepalese have never experienced even the slightest possible tinge of any big-brotherly attitude from it."

The English-language news weekly expressed confidence that the coming visit of King Birendra of Nepal to China "will also go a long way in further strengthening and consolidating these ties of intimate friendship, cooperation and good understanding.

### **Zhu Qizhen Pays Visit to Pakistan**

#### **Meets Ziaul Haq**

OW141639 Beijing XINHUA in English 1614 GMT  
14 Sep 87

[Text] Islamabad, September 14 (XINHUA) — Pakistan President Mohammad Ziaul Haq said here today that he plans to visit China in 1988.

He made this statement when he met visiting Chinese Deputy Foreign Minister Zhu Qizhen in Rawalpindi, twin city of Islamabad.

Ziaul Haq and Zhu exchanged views on major international and regional issues of common concern during the meeting.

Ziaul Haq said, Pakistan and China not only have identical stands on many important issues, but also are facing common tasks in seeking for peace and economic development.

Prime Minister Mohammad Khan Junejo expressed his appreciation over the satisfactory completion of the first China-Pakistan Joint Boundary Inspection work when meeting with Zhu Qizhen in the parliament building of Islamabad today. A protocol on the inspection was signed here yesterday evening.

Pakistan Foreign Minister Sahabzada Yaqub Khan will also meet Zhu Qizhen here this afternoon.

Zhu arrived in Islamabad on September 11. He had already held two rounds of talks with Pakistan Foreign Secretary Abdus al-Sattar on international and regional issues including the Afghan problem and the Gulf situation.

Zhu will leave here for home tomorrow morning.

#### **Signs Boundary Protocol**

OW131708 Beijing XINHUA in English 1654 GMT  
13 Sep 87

[Text] Islamabad, September 13 (XINHUA)—China and Pakistan signed here this evening a protocol on the first China-Pakistan joint boundary inspection through friendly consultation and mutual understanding.

Chinese Vice Foreign Minister Zhu Qizhen and Pakistan Foreign Secretary Abdus al-Sattar signed the protocol on behalf of their respective governments.

China and Pakistan have very friendly relations. The two countries signed the first boundary agreement in March 1963 to demarcate the common frontiers.

The just signed protocol was initialed last month in Beijing, China at the third meeting of the China-Pakistan Joint Border Inspection Committee.

The first meeting of the committee was held in Beijing in February 1986, and the second one in Islamabad, Pakistan in December last year.

#### **Roundup Views 'More Turbulent' Gulf**

HK140107 Beijing RENMIN RIBAO in Chinese  
10 Sep 87 p 6

["Roundup: The Gulf Situation Becomes More Turbulent (by Zhu Mengkui 2612 1125 7608)"]

[Text] While the situation in the Gulf is becoming more and more turbulent, the representatives of all the members of the UN Security Council have voiced their unanimous support for UN Secretary General Javier Perez de Cuellar's plan to visit Iran and Iraq to explore an approach to the implementation of the Resolution No 598 of the Security Council. They hope that the secretary general will pay his visit soon. In general, the world media agree that Javier Perez de Cuellar's forthcoming visit to Iran and Iraq will have an important bearing on the situation in the Gulf.

After the UN Security Council adopted on 20 July Resolution No 598 calling on Iran and Iraq to cease fire and start talks to seek a settlement of their disputes, the international community placed hopes on an early full implementation of the resolution, which may open the door to armistice and reconciliation between Iran and Iraq. Then, in the following 6 weeks, there seemed to be a "de facto cease-fire" in the Gulf region for a while. On 29 August, Iraq took the lead, launching an air raid on Iran. Iraq declared that although it was in favor of Resolution No 598, it would not make any unilateral commitment for an indefinite cease-fire while Iran still had not accepted the resolution. Meanwhile, Iran threatened to carry out a "crushing retaliation" against Iraq. The mutual retaliatory operation between Iran and Iraq has been escalated drastically. In only a week after Iran and Iraq resumed the oil tanker war, 13 tankers transporting oil from Iran were attacked by Iraq and 8 merchant ships respectively belonging to Kuwait, Italy, Greece, and Japan were raided by Iran. International shipping sources pointed out that the operation against merchant ships in the Gulf has developed to an unprecedentedly serious extent.

What is more worrying is that the danger that the Iran-Iraq conflict will expand and become an event involving other countries has been increasing. On 4 September, two missiles dropped on the territory of Kuwait. Iran has denied its involvement in this incident but accused the United States of conniving in Iraq's attempt to expand the war. The further deterioration of Iran's relations with Saudi Arabia and Kuwait has added some new, complicated factors to the Gulf situation characterized by protracted battles. Recently, Iranian congress speaker Rafsanjani predicted that the war

might go beyond the extent that both Iran and Iraq could have imagined. Saudi Arabia has ordered that its F-15 fighter plane teams carry out round-the-clock patrols and keep alert against any possible eventualities. Other Gulf states have also made frequent contacts with each other to seek a way to cope with the situation in the region.

In the meantime, in the wake of the deterioration of the Gulf situation, foreign military force has also kept on increasing in the Gulf. At the moment massing in the Gulf are more than 70 vessels, respectively belonging to the Soviet Union and Western countries, such as the United States, the United Kingdom, France, and Italy. More and more foreign naval and air forces are squeezing into the Gulf region, while all kinds of mines floating on the sea and airplanes and gunboats appearing unexpectedly from time to time to attack ships are seriously threatening the international navigation channel in the Gulf. All these factors have made the Gulf situation more turbulent.

The increasing tension in the Gulf has drawn close attention from the international community. After Iran and Iraq resumed the oil tanker war and the operation to raid cities, many countries and international organizations urged the two sides to stop escalating the war and to exercise restraint so as to create an atmosphere favorable to the enforcement of the Resolution No 598. Jordan, Egypt, and other Arabian countries have made repeated consultations, actively seeking a way to put an end to the Iran-Iraq war as soon as possible. A delegation of the

Arab League Seven-Countries Committee recently visited the five permanent members of the UN Security Council to work out a method to have Resolution No 598 fully implemented. Iran has neither accepted nor rejected this resolution. In late August, Iranian Foreign Minister Velayati sent a letter to Secretary General Perez de Cuellar to invite him to visit Tehran on 10 September. On 2 September, officials of the Iranian Foreign Ministry told Perez de Cuellar again that the Iranian Government was ready to discuss with UN leaders any questions concerning the implementation of the UN Security Council resolution.

Now that the Gulf situation is deteriorating and the next UN General Assembly is going to open soon, Gulf states and the international community are particularly concerned about the attitude of Iran and Iraq toward the cease-fire resolution and the possible development that may lead to peace in the Gulf. For this reason, they place high hopes on the UN secretary general's forthcoming visit to the Gulf.

#### **Geng Biao Meets Kuwaiti Delegation**

*OW140248 Beijing XINHUA in English 0230 GMT  
14 Sep 87*

[Text] Beijing, September 14 (XINHUA) — Geng Biao, vice-chairman of China's National People's Congress Standing Committee, met here today with a delegation from the Kuwait Federation of Trade Unions led by Chairman Rashid al-Hujailam.



### Further on Restudying Mao's Ideas

HK111516 Beijing LILUN YUEKAN in Chinese No 8,  
25 Aug 87, pp 12-15

[Article by Lu Yinghuan (0712 5391 1403): "Study Again Comrade Mao Zedong's Ideas on the Integration of Politics and Economics"]

[Text] The dialectic unity of politics and economics is a basic principle of historical materialism, and is also a major practical issue that should be solved in our modernization construction. In recent years, such deviations as neglecting ideological and political work and loosening propaganda and education in the four cardinal principles, or laying one-sided stress on the four cardinal principles and suspecting the great significance of reform, opening up, and economic invigoration, have appeared from time to time. One of the reasons for these problems was that some of our comrades did not clearly understand the theory of the relationship between politics and economics in the period of modernization construction. Some theoretical workers even thought that the thesis on the action and reaction between the superstructure and the economic base provided a theoretical foundation for the emergence of "leftist" mistakes. Therefore on the occasion of commemorating the 50th anniversary of publication of the essay "On Contradiction," we should further our study into the relationship between the political superstructure and the economic base. This is necessary not only because we want to develop the theory but also because it is of great immediate significance for us to deeply understand the relationship between the adherence to the four cardinal principles and economic construction reform.

Politics and economics are two major categories in the study objectives of historical materialism. They include political and economic structures, relations, viewpoints, and practices. In the classic Marxist works, economics generally refers to social production and reproduction and to the economic conditions and economic activities of society; while politics concentrates on and reflects the basic economic interests of all social classes, and includes political viewpoints, organizations, relations, and activities.

In the historical period of socialism, with the development of the social and historical conditions and practice, the categories of politics and economics have richer contents. In the socialist economics sphere there are not only issues concerning the economic system and structure, but also issues concerning production and distribution; product circulation and exchanges; wages and profits; and various specific economic phenomena and activities in opening up and economic invigoration. Meanwhile in the socialist politics sphere there are issues concerning the political system, relations, and viewpoints, and such political phenomena and activities as democracy, the legal system, freedom and discipline, the formulation of principles and policies, and ideological and political work. In order to grasp the essence of the relationship between politics and economics and understand its significance, when talking about things in

socialist modernization construction in this article, I specify that economics refers mainly to economic construction and economic structural reform; and politics refers mainly to the four cardinal principles, political structural reform, the party's principles and policies, and ideological and political work.

Historical materialism holds that economics is the foundation, and politics demonstrates the focus, of economics. This is our basic viewpoint on the relationship between politics and economics. In his works and revolutionary practice, Comrade Mao Zedong repeatedly expounded and adhered to this basic viewpoint. However, after the socialist transformation in our country was basically completed in 1956, the "leftist" guiding ideas began to grow and we gradually deviated from the Marxist principle on the dialectic unity of politics and economics. This led to the continuous spread of the "leftist" mistakes. Such careerists as Lin Biao, Jiang Qing, and Kang Sheng took advantage of these mistakes to achieve their sinister purposes and added fuel to the fire. They distorted and misrepresented Mao Zedong Thought, set politics absolutely against economics, advocated the fallacies that politics is the priority thing and that everything else must make way for it, and that class struggle can determine the development of production. During the "Cultural Revolution," such fallacies found extreme expression.

In the period before and after the 3d Plenary Session of the 11th CPC Central Committee, the theorist circles in our country deeply criticized the fallacies of historical idealism advocated by the Lin Biao and Jiang Qing counterrevolutionary cliques, who made unlimited exaggerations about the role of politics. This helped the party set things right in all fields and shift the focus of the party's work to economic construction. However, in the new historical period of socialism and after the focus of the party's work was shifted to economic construction, in what position should political work be placed? What a role does it play in economic development? The theorist circles have not yet achieved a consensus of opinion. Some comrades even ascribed the occurrence of "leftist" mistakes and the "Cultural Revolution" to a basic thesis in the essay "On Contradiction," that such things as politics and culture in the superstructure may play a major and decisive role in social development under certain conditions. This was the focus of controversy in the philosophy field for a time.

Is the above-mentioned thesis expounded by Mao Zedong in "On Contradiction" correct or not? To answer this question, we should make a comprehensive study of all aspects of the relationship between politics and economics, and only thus can we draw a correct conclusion. In discussions during the previous period some comrades described the relationship between politics and economics as follows: "Economics is primary, and politics is secondary." Some comrades summarized the relationship into "economics is primary, politics is secondary, and their positions are sometimes exchanged under certain conditions." We should consider whether

such opinions are completely correct or not. According to the dialectic materialist conception of history, the relationship between politics and economics should be summarized into the following two points:

First, according to the essential quality (or attribute) of politics and economics, the two things are opposite as well as united. As far as the essential quality or attribute is concerned, economics is an original and basic thing, and politics a derivative thing. Therefore economics is the foundation, while politics is the reflection and demonstration of economics. Economics eventually determines politics. However, politics is not always passive. It also plays a dynamic role and reacts to economics. That is, it may promote or hinder economic development. The reaction role of politics finds expression in the guiding role in practice, or the role of the "lifeblood." Therefore, the relationship between the two things is one between the base and the reaction, and between guiding and being guided. We can say that economics is the base and politics is the guidance, and this gives concrete expression to the opposite and united relationship between the two sides. "On Contradiction" points out: "We recognize that in the general development of history the material determines the mental, and social being determines social consciousness. We also, and indeed must, recognize the reaction of mental on material things, or social consciousness on social being, and of the superstructure on the economic base." This thesis expounds the opposite and united relationship between the political superstructure and the economic base according to the essential quality of politics and economics.

If we briefly review Lenin's exposition on relations between politics and economics it may help us better understand this issue. Lenin said: "Politics is a concentrated expression of economics, ...politics must take precedence over economics. To argue otherwise is to forget the ABC's of Marxism." ("Selected Works of Lenin," Vol 4, p 441) Lenin said this to refute the fallacies of Trotsky and Bukharin. At that time, Trotsky provoked a controversy over the trade unions issue, and Bukharin took an attitude of eclecticism. Bukharin said that Lenin took a political approach to things and Trotsky took an economic approach. He said that his own opinion was that "neither the political nor the economic factors can be ignored." To refute Bukharin's theoretical mistake, Lenin pointed out profoundly: "The gist of his theoretical mistake in this case is substitution of eclecticism for the dialectical interplay of politics and economics (which we find in Marxism)." (Ibid., p 449) That was the background against which Lenin constructed his thesis about the "precedence" of politics. That is that politics takes precedence over economics because it is a concentrated expression of economics and represents and guides economics. Obviously, Lenin's thesis is the "ABC's of Marxism," and it reveals the essence of the relationship between politics and economics according to the basic principle of Marxism. The relationship is one between a base and a concentrated expression, or one between guiding and being guided.

As mentioned above, economics is the base while politics is the guidance. The essential quality of such a relationship is fixed and cannot be reversed. That is we cannot take politics as something original and basic, nor can we take economics as something that gives guidance and takes precedence. In the development of practice which side should play a main role? This is a question that I would like to discuss in my second point.

Second, as both political and economic development is uneven, concrete relations between politics and economics are indefinite and variable, and their positions may change places under certain conditions. In this sense, Comrade Mao Zedong pointed out in "On Contradiction": "Admittedly, the productive forces, practice, and the economic base generally play the principal and decisive role, and whoever denies this is not a materialist. However, it must also be admitted that in certain conditions such aspects as the relations of production, theory, and the superstructure manifest themselves in turn in the principal and decisive role. When the superstructure (politics, culture, etc.) obstructs the development of the economic base, political and cultural changes become principal and decisive." This thesis shows that in the contradiction between politics and economics, because economics is a basic thing, in general it is the principal aspect of the contradiction and plays the principal and decisive role. However, in some special conditions due to the uneven development of the contradictory aspects, politics may change into the principal aspect and play a principal and decisive role in the development of things.

Of course, in the essay "On Contradiction," Comrade Mao Zedong did not clearly point out the "two aspects" of the relationship between politics and economics, but he did analyze this relationship from two different angles. According to the needs of writing (the topic of the chapter is "the principal contradiction and the principal aspect of the contradiction"), "On Contradiction" first talks about the unevenness of the development of the contradictory aspects, and points out the exchange of roles between the political superstructure and the economic base. It then answers the question of "whether this is in violation of materialism." That is in general, or in the "general process of historical development," the essay reveals the inherent foundation for the possibility of the exchange of position between politics and economics according to the essential quality of social being and social consciousness—the unity and opposition of the basic role of economics and the reacting role of politics. Thus, a final conclusion is drawn that, in certain conditions, the exchange of position and role "does not go against materialism; on the contrary, it avoids mechanical materialism and firmly upholds dialectical materialism."

The change in the principal aspect of the contradiction finds expression in the shift of focus in practical work. For this, Lenin repeatedly mentioned that during the civil war the military struggle was the focus of all work; and after basic victories were won on the military front,



Lenin explicitly pointed out: "Every successful step to defeat the White Guards at the same time gradually shifted the focus of our struggle to politics in the economic fields;" "the economic task and the economic front have now become the main task and our basic front." ("Selected Works of Lenin," Vol 4, pp 370, 380)

Some comrades have challenged the thesis that in certain conditions politics may become the principal aspect of the contradiction and may play a principal and decisive role, saying that this goes against the principle that economics is a base and determines politics, and will just lead to idealism and dualism. Their opinion is incorrect because it does not take an all-round approach to the two aspects of the relationship between politics and economics. It merely pays attention to the essential quality of economics and politics which determines the decisive role of the former and the reacting role of the latter, but neglects the fact that the uneven development of the two sides may bring about certain conditions in which politics and economics swap their roles and positions. As a result, there will be no way to give scientific answers to many practical questions in real life. For example, does the seizure of state power by the proletariat through revolution play a principal and decisive role in the establishment of the socialist economy? Does the correct line of the proletarian party play a principal and decisive role in socialist economic construction?

Here, we must discuss another viewpoint. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has shifted the focus of the party's work to economic construction. When proving the necessity of this focus shift some comrades negated the thesis that "politics takes precedence over economics," saying that this thesis goes against the principle that economics is the focus, and that Lenin put this expedient proposition forward with "special implication" under "special historical conditions." Thus it is not a universal truth.

In my opinion, this is a misunderstanding because it confuses "precedence" and "focus," and confuses the relationship between politics and economics. People holding this opinion do not notice that "focus" refers to the change of the principal aspect of the contradiction and the issue of the unevenness of political and economic developments, while "precedence" refers to the guiding role of politics which is related to an issue concerning the essential quality of politics which is guidance, and economics which is the base. If we can correctly distinguish the difference and understand the relations between politics and economics, then we will realize that politics is always the guidance and economics is always the base. As for which side of politics and economics is the focus and plays a principal and decisive role, this will be determined by the changing conditions. Our practice in the past 30 years and more shows that when the political work is the focus, we must not forget that economics is still the base; when the economic work is the focus, we must still admit the guiding role of politics. If we do not clarify this relationship, we may erroneously take politics as the "key link" or the focus of

our work, and neglect or even deny the role of economics as the base when we stress that politics is the guidance and the "lifeblood;" and we may erroneously think that economics takes "precedence" and neglect and belittle the role of politics when the work focus is on economic construction. We must bear in mind this historical lesson.

The idea regarding the opposition and unity of politics and economics and their change of position was first mentioned by Comrade Mao Zedong in his essay "On Contradiction." After that, in 1958, in the party document "Sixty Points of Work Methods (Draft)," he expounded this idea more explicitly from the angle of methodology: "The unity of politics and economics, and the unity of politics and technology, is beyond doubt and will exist forever. Ideological and political work is the guarantee for the fulfillment of the economic and technical work, and it serves the economic base. Ideology and politics is the commander and the soul. If our ideological and political work is relaxed, our economic and technical work will certainly slide to a wrong road." ("Selected Works of Mao Zedong," Vol 2, p 803) In my opinion, although Comrade Mao Zedong deviated from his own idea about the unity of politics and economics, the idea itself is still correct. Therefore, the "CPC Central Committee's Resolution on a Number of Historical Questions Since the Founding of the PRC," and the new edition of the "Selected Works of Mao Zedong" compiled by the CPC Central Committee's Document Editing Commission, still affirmed this idea. This idea has been developed and advanced in the line, principles, and policies since the Third Plenary Session. For example, since the Third Plenary Session our party has formulated the political line of striving for socialist modernization mainly in the economic field, and the basic guiding principle of concentrating all strength on developing social productive forces on the basis of adhering to the four cardinal principles. This expresses more explicitly the dialectic unity of politics and economics in the period of modernization construction. In recent years, the central leadership has put forward the guiding principles for developing the two civilizations simultaneously; developing democracy in the political field; carrying out reform in the economic field; and coordinating political and economic structural reforms to carry forward economic and technical exchanges with the outside world; guarding against the corrosive influence of the capitalist ideology; building up the legal system while conducting economic construction; strengthening ideological and political work to guarantee the healthy development of economic work, and so on. All these principles and policies adhere to and creatively develop the Marxist principle regarding the unity of politics and economics in different aspects and on different levels of socialist modernization construction. Recently, the party central leadership has repeatedly pointed out: "There are two basic points in the party's line since the Third Plenary Session. One is to adhere to

the four cardinal principles, and the other is to continue to advance reform, opening up, and economic invigoration. The two sides are interrelated, and both are indispensable."

We hold that only by firmly grasping these two basic points of the party's line since the Third Plenary Session and their dialectic relations of unity can we ensure the mutual promotion of political unity and stability and economic prosperity, and successfully build socialism with Chinese characteristics.

#### Article Marks Anniversary of Mao Work

HK111501 Beijing LILUN YUEKAN in Chinese No 8, 25 Aug 87 pp 16-19

[Article by Hong Deyu (3163 1795 5940): "New Exploration, New Contribution"—the author "is a student at the Theoretical Department of the Party School of the CPC Central Committee"]

[Text] On the occasion of the 30th anniversary of the publication of "On the Correct Handling of Contradictions Among the People" (hereafter called "Correct Handling"), restudying this brilliant work by Comrade Mao Zedong, accurately grasping its profound thinking, seriously summing up the great contributions it has made, and thoroughly understanding its precious revelations are no doubt a task of great significance for us.

In the works "On Contradiction" and "Correct Handling," which came successively in one continuous line, there is a discernible clear orbit of thinking and theoretical course of the theory of laws governing contradictions—the core of materialist dialectics. Meanwhile, what we should not ignore is that being different from "On Contradiction," "Correct Handling" has its own unique, precise, and penetrating characteristics. In terms of form, the two works are not entirely identical in style and characteristics. They are philosophical works with carefully thought-out arguments and strict logic and succinct summary, but "Correct Handling" is relatively easier to understand as it explains the profound in simple terms. It can thus be said that many of its expositions can directly form the line, principles, and policies of the party and the state. In terms of substance, "On Contradiction" lays particular emphasis on the attainments of philosophical theory. It combines the thinking of the unity of opposites of Marxist philosophical theoretical materialist dialectics with the practical experience of China's revolution and absorbs the essence of the traditions of Chinese philosophy, thus establishing itself as a theory of contradictions, one of new world outlooks and new philosophical concepts. On the one hand, "Correct Handling" is a continuation, implementation, and application of this theory of contradictions; on the other, it is the elaboration, enrichment, and development of the theory in new historical conditions. In terms of objective, the two works have one apparent thing in common: To face problems in practice and to better serve the future. However, "On Contradiction" starts more frequently with the theoretical summary of

historical experiences and lessons, while "Correct Handling" attaches importance to concrete analysis and study of the actual topics under socialism. In other words, the former lays emphasis on making a systematic and profound theoretical exposure and criticism or a philosophical summary of various erroneous ideas prevailing in the party for a long time in the past—in particular, dogmatism and subjectivism—while the latter gives a pointed revelation and prompt solutions to the new problems cropping up after people entered a new era, such as that people felt unfamiliar, worried, confused, and at a loss as to what to do in the face of contradictions among the people.

"Correct Handling," arising as the socialist era required, is an immortal masterpiece in the history of development of Marxist philosophy, with significant and serious topics; novel, precise, and penetrating explorations; and indelible contributions in both theory and practice.

In practice, not only does "Correct Handling" promptly and sharply point out the major problem facing socialist society—how to correctly understand and handle contradictions among the people—but also gives its solution to the problem. This played a highly effective role in directing the new practice under the new historical conditions. The primary task of the new democratic revolution was to seize state power and pave the way for establishing a new social system. With the establishment of the socialist system, how to lead the entire people, to bring every positive factor into play, to build socialism with one heart and one mind, and how to better meet the ever-increasing material and cultural needs of the masses of people have become a task of immediate and fundamental significance. If it is said that the fundamental task of the new democratic revolution was to resolve contradictions between ourselves and the enemy, then, the major topic of making the socialist society prosper and develop is to correctly handle contradictions among the people. "Correct Handling" is precisely the consciousness and theoretical reflection of this major turning point in history and mission of the times. Stemming from practice, it conforms to reality, thus meeting the urgent needs of practice.

"Correct Handling" not only affirms the objective existence of contradictions among the people but also convincingly points out the objective inevitability and universality of such contradictions in socialist society. Contradictions among the people can be found within the working class, the peasantry, and the intellectuals and within all social strata and their interrelations. They act on all factories, cooperatives, shops, schools, offices, and people's organizations; run through the political, economic, and cultural fields; and find expression in the interrelations between the government and the people and between leaders and the masses. These contradictions run through the whole development process of socialist society and the various stages of its development in the form of old contradictions being constantly resolved and new ones ceaselessly cropping up. As for

"many people" who "dare not openly admit that contradictions still exist among the people of our country, while it is precisely these contradictions that are pushing our society forward" and who "do not admit that contradictions still exist in socialist society, with the result that they become irresolute and passive when confronted with social contradictions; they do not understand that socialist society grows more united and consolidated through the ceaseless process of correctly handling and resolving contradictions," are thinking of "Correct Handling" serves without doubt as a sharp, awakening warning and a stimulant to them and has a strong effect on people in upgrading and transforming concepts, actively plunging themselves into reality, and in effectively engaging themselves in new practice.

Through thorough analysis of the particularity of contradictions among the people, "Correct Handling" has put forth a series of methods of understanding, handling, and resolving such contradictions. One is the democratic method, or the method of discussion, criticism, and persuasion and education. It "is epitomized in the formula 'unity-criticism-unity,'" which is mainly used to resolve the various contradictions among the people, including the party in the political and ideological field; the second is the method of overall consideration and proper arrangement, which is mainly used to handle and regulate socialist social and economic construction and contradictions in economic interests and economic life; the third is the method of letting a hundred flowers blossom and a hundred schools of thought contend, which is a policy for promoting the flowering of socialist arts and scientific progress; and the fourth is the method of long-term coexistence and mutual supervision, which is used to coordinate the contradictions between different parties and organizations formed by the people or moreover, it can be said aimed at handling the contradictions between the ruling Communist Party and various democratic parties. These methods of handling contradictions among the people which are relatively independent on, different from, and complementary to each other and which, though different in form but of identical excellence, have undoubtedly played a great role in promoting the flourishing and development of socialist political, economic, cultural, and scientific undertakings.

In theory, "Correct Handling" is a brilliant work following "On Contradiction" and can be called a new version of the theory of contradictions or socialist society's theory of contradictions. With its unique characteristics and rich style, it has deepened and developed the materialist dialectic theory on the unity of opposites. Below are its specific manifestations.

First, its comprehensive exposition of the universality and particularity of contradictions among the people and its concrete solutions to them has provided an objective foundation and new explanation for the law of the unity of opposites—the core of materialist dialectics—in the new social historical field. Marxist philosophy's materialist dialectics is a science that is the strongest in

generalization character and highest in sense of the multiplicity of layers. It has a universal objective foundation and is universally applicable. As Engels put it, it is a science of the most general laws governing the natural world, human society, and man's thinking. The law of the unity of opposites is the fundamental law of the universe. Marx and Engels based the law of the unity of opposites on materialism and through their observation and study of primitive, slave, feudal, and capitalist societies, in particular, through their revelation of the laws governing the class struggle between the proletariat and the bourgeoisie in capitalist society, and through their theories on the contradictions and conflicts between socialized mass production and private ownership under capitalism, they made a convincing exposition of the law of the unity of opposites. Lenin further clearly defined the central position of the law of the unity of opposites in materialist dialectics and consciously used it in understanding and analyzing the contradictions of capitalist society that had entered the state of imperialism, in particular, the complicated and peculiar contradictions arising in the contemporary society in Russia, thus providing a profound and powerful theoretical basis for carrying out socialist revolution and creating the first red political power in the world. Then, in a brand new historical formation of human society—socialist society—does the law of the unity of opposites still have a similar foundation? Does it still have its universally and extensively applicable nature? In what unique quality and form does this law exist and develop? What are its position and role in socialist society? What does it mean to us to reflect and bring the law to light realistically and to handle and resolve the law conscientiously and correctly? "Correct Handling" has made extremely valuable explorations and contributions for these questions. It has successfully popularized and applied the materialist dialectic law of the unity of opposites to socialist society and made it strike root in this vast expanse of soil full of promise, instilling new breath and vitality into it.

Second, contradiction is the source and dynamic force for the movement, change, and development of things. This important principle of materialist dialectics has been objectivized into a series of lines, principles, and policies constantly propelling socialist society forward, thus building an effective bridge between highly abstract philosophical theory and concrete and lively social practice. Marx said with emotion: In the past, "philosophers explained the world in different ways, but the point at issue is to transform the world." It is indeed an extremely difficult job to liberate philosophical theory from the studies of philosophers so that it can effectively direct the concrete practice of transforming the world. Therefore, philosophers should have profound theoretical attainments, use philosophical theory to reflect the complicated phenomena and their inherent qualities and laws as they are, have a profound understanding and an accurate grasp of it, and state and explain it in simple and clear terms so that it can take root in the minds of the broad masses of people—the main body to transform



society and the world—and become their mode of thinking and the guide in their actions. In this way, the transformation of spiritual force into material force and of the world can be achieved. The four Chinese characters meaning explaining the profound in simple terms are the basic requirement and essential feature of the returning of philosophical rational knowledge to practice; this is where the precise and penetrating character of "Correct Handling" lies. In this sense, "Correct Handling" is one of the most outstanding chapters of the annals of Marxist philosophy. "Correct Handling" discusses the profound principles of materialist dialectics in a simple and easy way and uses plain and vivid examples to explain the abstract and summary theory of contradictions. Therefore, leading cadres at all levels can master and apply it and the broad masses of people can understand and apply it in their actions. Contradiction is the source and driving force for the movement, change, and development of things. This important principle has become the guide and standard in people's practice to transform the world and to promote the constant progress of socialist society.

Third, "Correct Handling," which takes distinguishing between right and wrong as a key link and which is characterized by a relatively complete system of methods of handling contradictions among the people, such as the democratic method and the method of overall consideration and proper arrangement, of letting a hundred of flowers blossom and a hundred of schools of thought contend, and of long-term coexistence and mutual supervision, has added a more outstanding and clear-cut meaning to the methodology of materialist dialectics. Philosophy deals with world outlook and methodology; the two are interrelated and inseparable in nature, each supplementing the other. What warrants mention is that methodology occupies a position and role that cannot be ignored in Marxist philosophy and it holds an even more noticeable and important position and role in materialist dialectics. Practicality, this fundamental feature of Marxist philosophy, requires that materialist dialectics must attach great importance to the function and role of methodology; conversely, any breakthrough and attainment in methodology can effectively embody and realize the practicality of Marxist philosophy. This is because to have correct understanding of the world, we must have correct methods, and to effectively transform the world, we must all the more have effective methods. Methods are an indispensable bridge, medium, and intermediate link in applying philosophical theory to practical activities. "Correct Handling" not only fully elucidates the socialist outlook on contradiction but gives adequate space to systematically explain the specific methods of correctly handling and resolving the two types of contradictions differing in nature—in particular, the contradictions among the people—thus greatly strengthening the applicability and practicality of the theory of the unity of opposites or the theory of contradictions. In other words, it is easy not only to understand but also to grasp and apply such a theory.

Fourth, compared with "On Contradiction," "Correct Handling" has a better and deeper understanding of the two basic aspects of a contradiction—identity and struggle. It lays particular emphasis on the particular nature of contradictions among the people being entirely different from those between ourselves and the enemy and gives brilliant and unique ideas on the aspect of struggle in the concrete explanations on how to correctly understand, handle, and resolve contradictions among the people. The struggle of contradictory aspects of a thing can have an antagonistic as well as a nonantagonistic aspect, and it means one aspect excludes and negates the other. Contradictions between ourselves and the enemy must be resolved by means of acute antagonisms, external conflicts, forced expropriation, suppression, and even elimination, but contradictions among the people must be handled using the methods of persuasion, education, criticism, listening to opinions of both sides, regulation, contention, supervision, and of making suggestions. Furthermore, through a thorough and meticulous study and explanation of the contradictions among the people, "Correct Handling" has enabled people to gain a new relatively systematic understanding of the aspect of struggle of this contradiction. In other words, while retaining the basic elements of the aspect of struggle of the contradiction, such as that one contradictory aspect excludes, negates, and overwhelms the other, moderate contents and colors have been added to the aspect of struggle to minimize its smell of gunpowder, to prevent the two contradictory aspects from developing to the extent that one aspect eliminates the other or both sides suffer and even perish together, and to put their development within proper limits so that they can develop to the ideal objective in the framework of moderate action and reaction. For example, the purpose of the two antagonistic aspects of the contradictions between democracy and centralism and between freedom and discipline in restricting and struggling against each other cannot be one aspect swallowing, overwhelming or replacing the other, because "within the ranks of the people, we cannot do without freedom, nor can we do without discipline; we cannot do without democracy, nor can we do without centralism." The contradictory aspects of this kind of contradiction should exist, prosper, and develop side by side in harmony. This means that the aspect of struggle of this contradiction has its own elements and characteristics different from those of the aspect of struggle of contradictions between ourselves and the enemy. This holds true for the understanding of the identity of contradiction. The aspect of identity of contradictions among the people has something different from that of contradictions between ourselves and the enemy. As far as mutual dependence for existence or interconnection is concerned, in the case of contradiction between ourselves and the enemy, it is achieved mainly through mutual negation and mutual exclusion; in the case of contradiction among the people, it is strengthened more frequently through mutual affirmation and mutual supplementation. This is the same as the case of the contradictions between democracy and centralism and between freedom and discipline. As far as



mutual inclusion or interpenetration is concerned, in the case of contradictions between ourselves and the enemy, more often than not, it finds expression in mutual interference and in the form of each making use of the other, but in the case of contradictions among the people, it is often achieved through mutual aid, organic integration, and rational overall consideration as in the case of the contradictions of interests between the state, the collectives, and the individuals. As far as interpenetration or mutual promotion is concerned, in the case of contradictions between ourselves and the enemy, it is intensified in a negative way—that is, the greater the oppression, the stronger the resistance—and in the case of contradictions among the people, it is achieved in a positive way as the contradictions between production and distribution and between accumulation and consumption and the contradictions among different schools of thought, viewpoints, styles, and forms in the cultural, artistic, and scientific domains are resolved. Things in contradiction transform into one another. "On Contradiction" lays emphasis on affirming the notion that "every contradictory aspect transforms itself into its opposite." This can be said to be generally the result of the generalization of the contradictions between ourselves and the enemy, or antagonistic contradiction. "Correct Handling" puts more stress on the unity, harmony, and integration of the ultimate outcome and fundamental objectives of the opposites of contradiction. This is apparently more in keeping with the objective realities, changes, and development trends of the contradictions among the people. If we study the above-mentioned points as a whole, we will easily see that there are some breakthroughs and new ideas in the understanding of the struggle and identity of contradiction.

As a product of its times, "Correct Handling" has limitations and deficiencies. However, the contributions it has made deserve greater attention. The reform, now in the ascendant, is a process of self-improvement of the socialist system. In a certain sense, it is also a ceaseless process of correctly understanding, handling, and resolving the various contradictions among the people in our country—contradictions between new and old structures, between different interests, and between different values. Therefore, we should seriously sum up and absorb the precious wealth provided by "Correct Handling" and then proceed to make further theoretical explorations to seek practical and effective solutions to the entirely new and complicated topics facing the reform of the political and economic structures. This is our unshirkable duty and also the conclusion we should draw in restudying "Correct Handling" today.

**Chen Muhua Visits Liaoning 11 Sep**  
*SK120639 Shenyang Liaoning Provincial Service*  
*in Mandarin 2100 GMT 11 Sep 87*

[Excerpt] Chen Muhua, state councillor and president of the People's Bank of China, when inspecting our province's Haiyang Island fish farm on 11 September,

pointed out: Artificial breeding of prawns to increase their value needs little investment, but produces great output. It is an undertaking with bright prospects.

On that morning, accompanied by Bi Xizhen, secretary of the Dalian City Party Committee, and Wei Fuhai, city mayor, Chen Muhua went to the southern area of the Haiyang Island fish farm by motor boat. Li Tieying, minister in charge of the State Restructuring of the Economic System Commission, also accompanied her on the inspection tour. [passage omitted]

**Public Security Head Inspects Jilin**  
*SK130610 Changchun Jilin Provincial Service*  
*in Mandarin 2100 GMT 11 Sep 87*

[Text] Comrade Wang Fang, minister of public security, came to our province to inspect the public security work after concluding visits in (neighboring provinces). During his stay in our province, Comrade Wang Fang visited the cities and counties of Tumen, Yanji, Antu, Dunhua, and Changchun, accompanied by Li Changjiu, secretary of the Political and Legal Commission of the provincial party committee and director of the provincial Public Security Department. He heard work reports by the provincial Public Security Department, the provincial Armed Police Forces, and the Changchun City Public Security Bureau, and met with public security cadres and policemen, and commanders and fighters of the Armed Police Forces in these areas. Comrade Wang Fang said: The public security situation in Jilin Province and the city of Changchun is comparatively good and stable. However, they should pay more attention to the work during the latter months of this year, maintain the trend of strict blows, and never slacken efforts in work.

During his work inspection tour in Changchun, Comrade Wang Fang made a special trip to the (Dongsheng) road police station to visit the cadres and policemen there. Comrade Wang Fang showed deep concern for the work of the armed police. He held discussions with leading persons of the Armed Police Forces, and asked how they would improve the Armed Police Forces. He said: The Armed Police Forces should first grasp well the work to improve their own contingents. Only in this way can they fulfill the heavy tasks they shoulder.

**Commentator on Modernizing Training**  
*HK150639 Beijing JIEFANGJUN BAO in Chinese*  
*4 Sep 87 p 1*

[Commentator's Article: "Speed Up Training Facility Modernization"]

[Text] In accordance with the instruction by Vice Chairman Yang of the Central Military Commission on "developing simulation equipment and modernizing the means of training," our Army has taken three major steps to modernize the means of training from 1985 to 1987. It has achieved a number of scientific and research results that reach domestic and international advanced levels. At present, the modernization of our Army's

means of military training is marked by a tendency to develop mechanical simulation into laser and electronics simulation, and develop simulated training from fighting skills to tactics, and from a single military force to combined forces. The use of various training simulators has added vigor to the Army's training and reform. They have increased training opportunities, shortened training times, saved training expenses, enhanced training quality, and promoted reform of training content, forms, and methods of military education and training.

The modernization of the means of training in our Army has made such remarkable progress in such a short period of time primarily because the Central Military Commission and headquarters leaders have paid close attention to this matter. Under the condition that the national defense budget is limited, special funds have still been appropriated for the research and development of various training simulators. This has created favorable material conditions for modernizing the Army's means of training. The other reason for the substantial progress is the unity of people's understanding. Principal leaders of various units all realize that today, with the new technological revolution emerging throughout the world, science and technology will be more extensively applied in the military field, and weapons and equipment will be renewed and updated more quickly and costs will also rise greatly. Therefore, developing and producing training simulators on a large scale and raising the modernization level of the means of training has become an inevitable tendency in developing education and training in a modern army. Third, we have a clear guideline and a correct development orientation. We have been going along the road of gradual development from a low to a higher level, and from the simple to the sophisticated. We always depend on scientific research and make full use of modern and advanced technologies and research results. We have constantly combined the work of research institutes and military academies with that of the troops and formed associations between the research, production, and user units. We adhere to the principles of proceeding from reality, relying on our own strength, working hard, practicing thrift, and acting according to our capability. Fourth, we have taken the following effective measures: 1) strengthened organization and leadership, acted not only boldly and resolutely but also carefully and prudently, deepened reforms, and fully aroused the initiative and creativity of the research personnel; 2) aimed at the world's advanced level, properly conducted overall planning, and ensured overall effects; 3) adhered to the principles of "shortening the front, guaranteeing key projects, spreading from units that carry out pilot schemes to all units, and advancing step by step," thus coordinating the development in all fields according to careful plans; 4) carried forward the revolutionary spirit of racing against time, fearing no sacrifice, and surmounting every difficulty, and being brave, courageous, and resolute in making explorations, carrying out reforms and innovations, and making advances.

In his speech at the meeting to celebrate the 60th anniversary of the founding of the PLA, Vice Chairman Yang said: "The Army's modernization is a process of continuous reform. Without reform the Army's modernization will not be successful." Vice Chairman Yang's thesis represents an undoubted truth that has been proved by reforms on many fronts in our Army's work and by the practice of modernizing our Army's training means. Our Army's combat experience during the past 60 years also has a history of continuous reform and advance. In particular since the 3d Plenary Session of the 11th CPC Central Committee, the whole Army has adhered to the four cardinal principles and to the general guideline and policy of reform, opening up, and economic invigoration, and carried out reforms in the fields of army structure, military organization, education, training, political work, logistics guarantees, and national defense scientific research. This has brought our Army into a brand-new historical period of revolutionization, modernization, and regularization. As an important part of the Army's modernization, the modernization of the means of training has also made unprecedented development through reform, and has achieved marked results.

The modernization of the means of training is a major sign of the modernization of the Army's military education and training. The development of modern training means, given the special characteristics of our Army, is a huge "systems project" involving personnel and management matters. It is a long-term task that will not be fulfilled in a short time. Its fulfillment relies on the concerted joint efforts of all commanders and soldiers in our Army. Practice shows that so long as all officers and men in our Army work hard and make unremitting efforts, the modernization of the means of training will certainly be speeded up along with the advance of modernization in other fields.

#### **Bo Yibo on Cadres' Self-Cultivation**

*HK150633 Beijing ZHONGGUO QINGNIAN BAO  
in Chinese 3 Sep 87 p 1*

[Article by Bo Yibo: "Young Cadres Should Undertake More Self-Cultivation in Ideological and Political Aspects—A Preface Written by Comrade Bo Yibo for the Book 'New Stars Which Will Never Fall From the Sky,' Compiled by the Dalian CPC Party Committee Organization Department and DALIAN RIBAO"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, a large number of middle-aged and young cadres with both ability and political integrity have been assigned to leading posts. This is a very good thing and has met the needs of socialist modernization. It is also a sign that there is no lack of successors for our party and country, which are both in the heyday of their lives.

"Ours is a party striving for a glorious future and tomorrow belongs to young people"—a celebrated dictum by Lenin. To explore the future and make contributions to construction of the motherland, young cadres

must cherish lofty ideals and be resolved to be of value to the people and must not always dream of acting as lords and masters. Young cadres should have real ability and the revolutionary spirit to work hard and march forward courageously and be full of vigor in blazing new trails. To achieve this they should make unceasing efforts to step up their self-cultivation in all fields, and particularly in the ideological and political spheres.

The Chinese nation is one which thinks highly of self-cultivation. Taken literally, self-cultivation means the development of one's mind or capabilities through one's own efforts. To put it in modern terms, one must study hard and temper oneself so as to make oneself rich in knowledge, mentally progressive, and morally perfect through self-cultivation. "To live in seclusion makes for self-examination and frugality makes for honesty." "If one is not afraid of one's own shadow when standing, one is not shamed when lying down." "A real good man should uphold fairness without favor." All these phrases are principles advocated by our forefathers to teach people how to cultivate themselves. Due to the limitations of class factors and historical conditions many of these principles are unacceptable to us and their ideological content is of idealist conception. However, some furnish rich experience and enlightenment, and are still useful to us today.

We have always advocated and stressed that Communist Party members should progressively cultivate themselves in the practice of revolution. Comrade Mao Zedong and other proletarian revolutionaries of the older generation all made brilliant expositions in this aspect. The book *"How To Be a Good Communist"* by Comrade Shaoqi once played an important role in the process of the Chinese revolution. Today our young cadres must still study it seriously and seek enlightenment from it. Comrade Deng Xiaoping has called for ensuring that the ranks of our cadres become more revolutionary, younger in average age, better educated, and more professionally competent. This call is the guiding ideology and principles, as well as the fundamental content and requirements, for us when undertaking self-cultivation today. By steeling themselves through arduous efforts and undertaking conscientious self-cultivation, all young cadres should make themselves mature as quickly as possible, and become people of a new type with the requirements in four aspects mentioned above.

To cultivate themselves, young cadres must learn from books and also study in practice. The two matters must be closely linked together and neither one should be overemphasized at the expense of the other. Self-cultivation is rich in content such as in the fields of ideology, theory, morality, science, and culture. None of these should be ignored. However, first and foremost they must cultivate themselves in the spheres of ideology and morality because these are related to political integrity. If they fail to cultivate themselves in political integrity, there will be no ideological education nor political guarantee for self-cultivation in other aspects, and they may even go astray. If so, personal contributions to

society and personal achievements are out of the question. For this reason, young comrades, no matter what work they engage in, should give priority to elevating morality and fostering a firm and correct political orientation. In adhering to the correct political orientation today, we must first uphold the four cardinal principles and stick to the policies of reform, opening up, and economic invigoration. Through ideological and moral self-cultivation we must enable ourselves to distinguish and resist all kinds of "leftist" and rightist erroneous tendencies, and also the erosive influence of all decayed ideas and evil trends so that we will be able to temper ourselves into strong fighters in building socialism with Chinese characteristics.

Personal self-cultivation can only be done in social practice and should not be separated from the party's tasks and the vigorous historical activities of the people. In the new period of socialist development we have a lot to do in studying many new features and new experiences related to the self-cultivation of young cadres. It must be said that we have done far from enough in this area of work and so far there have been very few books on this particular topic. Comrades from the Dalian City CPC Committee Organization Department and DALIAN RIBAO have jointly compiled the book *"New Stars Which Will Never Fall From the Sky—a Political Talk on the Ideological and Moral Self-Cultivation of Young Cadres"*. This is a significant job and will greatly help young cadres in their self-cultivation. Meanwhile, I hope publication of the book will encourage more ideological, theoretical, and practical workers to pay close attention to the self-cultivation of young cadres and that more good books on this topic will be published.

We are now building the four socialist modernizations. To ensure and promote successful development of the modernization drive we are instituting great reforms. On this occasion I would like to change a few words in Zheng Banqiao's poem "On Bamboo" in a bid to encourage myself as well as the young cadres and readers.

Adhere to the four modernizations,

take root among the masses.

Be more firm after going through unnumbered waves,  
despite the wind rising from all directions.

#### **Chen Muhua on Monetary Measures**

OW141203 Beijing XINHUA Domestic Service  
in Chinese 1242 GMT 13 Sep 87

[By reporter Zhao Changchun]

[Text] Dalian, 13 Sep (XINHUA)—Chen Muhua, state councillor and governor of the People's Bank of China, spoke yesterday in Dalian, calling for an immediate and decisive action to limit loans, control monetary distribution, and cut the amount of money in circulation.

Chen Muhua made the above remark in Dalian at the fourth seminar on banking reform experiments sponsored by the State Commission for Restructuring the



Economic System and the People's Bank of China. Chen Muhua pointed out: China's economy is faced with an excessive demand for investment which has not yet been brought under control. She noted that the problem has resulted from excessive investment in capital construction and a sharp increase in consumption funds. She called for strengthened macroeconomic control and for efforts to ensure funds for normal production and circulation operations and for state key construction projects. She said: To accomplish such an objective, it is necessary to persist in reform and to streamline the relations among various fields.

Chen Muhua said: The monetary problem we face today mainly lies with the irrational monetary structure and inefficient utilization of funds. The goal of reform, on the premise of controlling general monetary supply, should be geared toward readjusting the monetary structure and raising the efficiency of funds utilization. The Central Bank has decided to reform the distribution and utilization of funds next year. This means that the Central Bank will no longer guarantee the funds of the professional banks, which will have to raise funds by themselves from society and enhance their capacity to keep a monetary balance. Branches of the Central Bank in urban cities will be given more power and responsibility to exercise macroeconomic control. They are to use economic means to guide and regulate the money market, to bring the role of cities and the monetary centers into play, and to create conditions for cities to be the regional financial centers.

Chen Muhua said: Banks should expand such business as borrowing and lending money among themselves; develop transdepartmental and regional monetary activities; and open acceptance, discounting, and rediscounting of commercial bills. To free the dependency of enterprises on banks for funds supply and to create new banking operation for banks, banks should allow enterprises to open short-term bonds to raise floating funds. She called on professional banks and insurance companies to be more enterprise-oriented; break away from the practice of egalitarianism in distribution within the banking institution; set up various forms of responsibility, evaluation, and target attainment systems; make it clear to operating units the power and benefits they enjoy and the responsibility and risks they undertake; and set up a restraining mechanism in grass-roots bank branches to make them responsible for loans they give out.

**Zheng Tuobin Reveals Increased Export**  
*OW120715 Beijing XINHUA in English 0653 GMT 12 Sep 87*

[Text] Beijing, September 12 (XINHUA)—China's export volume reached 23.21 billion U.S. dollars in the first eight months of this year, a 33.7 percent increase over the same period of last year, according to statistics of the Ministry of Foreign Economic Relations and Trade.

Speaking at an ongoing national meeting on foreign trade here, Minister Zheng Tuobin of foreign economic relations and trade said increases were also registered in the country's export to Japan, the United States, the European Community and the Hong Kong-Macao region.

China's export to the Soviet Union, Eastern European countries and the developing countries has also been expanded, the minister said.

China has also made progress in utilizing foreign capitals and technology, contracting overseas construction projects, and providing labor services, as well as in engaging in bilateral and multilateral technical cooperation.

In analyzing the structure of China's import and export, the minister said, the proportion of light industrial goods, textiles, machinery and electrical products in the export has been increased, and the export of technology has been expanded compared with that of last year.

In the field of imports, the proportion of raw materials, technology and key equipment for further developing industrial and agricultural production has been increased, while the import of vehicles, home electric appliances and other high-grade consumer goods has been further decreased, the minister added.

**Song Jian Views Economic Development**  
*OW150611 Beijing XINHUA Domestic Service in Chinese 1612 GMT 14 Sep 87*

[By RENMIN RIBAO reporter Wang Chu and XINHUA reporter Fang Zhengjun]

[Excerpts] Wuhan, 14 Sep (XINHUA)—Some 270 delegates from 18 counties and cities of Hubei, Henan, and Anhui representing key impoverished counties of the Dabieshan area gathered in Hubei's Huanggang City a few days ago to jointly discuss plans for economic development and exchange typical experiences at the second forum on economic development of key impoverished counties in the Dabieshan area. [passage omitted]

Song Jian, state councillor and minister in charge of the State Science and Technology Commission, spoke at the meeting. He pointed out that the achievements in developing the economy of the Dabieshan area in Hubei, Henan, and Anhui are the results of implementing the policies of reform and opening to the outside world since the 3d Plenary Session of the 11th CPC Central Committee and of respecting knowledge and talented people by the whole society. He stressed that the way to shake off poverty and achieve prosperity is to develop commodity economy with science and technology as the mainstay.

Song Jian said: Shaking off poverty and developing the economy of the impoverished areas are the major tasks at present. Hence, we must create a favorable atmosphere for developing commodity production and persist



in deepening reform. We must not rely on social welfare alone to shake off poverty. Relief funds should be offered to capable people, and benefits should be passed on to each and every household. We must train a group of peasant entrepreneurs.

Song Jian pointed out that if rural areas cannot retain their scientific and technical personnel, it would be impossible to attain prosperity. Therefore, it is imperative to attach importance to the training of young talented people. Future economic and social development hinges on today's youths.

Guo Shuyan, deputy head of the State Council's Leading Group for developing poor areas and vice minister in charge of the State Science and Technology Commission; Guan Guangfu, secretary of the Hubei provincial party committee, and Han Nanpeng, vic governor of the province; Qin Kecai, vice governor of Henan; and Wang Sheyun, vice governor of Anhui, also spoke at the meeting successively.

**Commentator Hails 'Farmer-Entrepreneurs'**  
*HK140350 Beijing CHINA DAILY in English*  
14 Sep 87 p 4

["Opinion" by CHINA DAILY commentator: "New Entrepreneurs"]

[Text] A hundred farmers-turned entrepreneurs recently were commended by the central government for their distinguished performance in developing township industries. Ten of them were designated the best. Their exemplary deeds are being given wide publicity in the mass media. However, they are only a fraction representative of the millions of directors or managers of township enterprises.

Brought forth in the course of the rural economic reforms, these farmer-entrepreneurs have in turn had a great share in boosting rural reforms by pioneering a market-oriented economy there.

At a meeting with the 10 best farmer-entrepreneurs, Premier Zhao Ziyang pointed out that their emergence is an indication of the development of a rural market-oriented economy and said its further development calls for a far larger contingent of them.

As a matter of fact, these farmer-entrepreneurs represent a new type of professional, when considering the fact that China, although it had a great number of enterprises, had no entrepreneurs in the genuine sense of the word for a long time since the 1950s.

Under the economic order prevailing since the founding of the People's Republic in 1949, industrial enterprises were as a rule subsidiaries of government units, whose operations were conducted entirely at orders from above. They bore responsibility neither for their own gains nor losses. Factory directors and enterprise managers behaved in the management of the enterprise more as officials than entrepreneurs.

Such a system could not foster a sense of responsibility, and the business acumen of the factory directors, if they had any at all, was blunted from disuse rather than sharpened by exercise.

With the deepening of the economic reforms, however, the ills of the old order have become ever more apparent, and things are changing. The former highly centralized planned economy is giving place to a planned market-oriented economy. And to instill life in the enterprises, a director responsibility system is being instituted.

Under this system, the party committee at each enterprise plays a supervisory role and refrains from meddling in business operations as was the case before. The director is accorded full power to decide and direct as he thinks fit.

A national conference last month stressed that there must not be any wavering or wait-and-see approach in regard to the institution of this system. It is scheduled to be universally adopted in all state-owned enterprises by the end of 1988.

At the same time, the enterprise director is required to bear management responsibility on the basis of a contract. The ownership of the enterprise is thus separated from its management and the director is given adequate scope to manoeuvre for his enterprise. Moreover, on assuming office, the director is required to make known the targets he intends to achieve during his tenure of office and upon its expiry there is an audit to check his performance. Other measures also will be taken to ensure that the responsibility, power, and compensation for a director are appropriately matched.

As a result of these reforms, factory directors and enterprise managers will be encouraged to become real entrepreneurs who wield full power independently and take whatever risks are necessary for the efficient management of the enterprises. They must also learn to adapt themselves to the new circumstances.

The farmer-entrepreneurs show that there are many people with the makings of good entrepreneurs. The question is how to give them opportunities to prove their worth. Competition is essential in bringing forth true entrepreneurs. Not only should the entrepreneurs be urged to compete in the market, but the candidates for management responsibility should also be selected through competition.

In order to provide an adequate environment in which enterprises can compete with each other on an equal footing, various measures should be taken to develop a comprehensive market system. But this will take time.

Nonetheless, a new stage is being set in China for a generation of entrepreneurs to play their role. And not until a mighty contingent of astute and knowledgeable entrepreneurs is assiduously at work will China's economic prosperity be assured.

#### 14 Rural Reform Experimental Zones Set Up

OW130452 Beijing XINHUA Domestic Service  
in Chinese 0520 GMT 11 Sep 8

[By RENMIN RIBAO reporter Liu Yunzhou and XINHUA reporter Ji Bin]

[Text] Beijing, 11 Sep (XINHUA)—In accordance with the arrangements of the party Central Committee and the State Council, China has set up 14 rural reform experimental zones of different sizes and with different purposes in 10 provinces and autonomous regions, and has begun to turn the existing reform results into permanent practices and explore new reform approaches.

The document "Deepen the Rural Reform" adopted by the CPC Central Committee in January of this year recalled the course of the reform of the rural economic structure and pointed out that reform must continue in our rural areas during the shift from the old economic structure to a new economic structure there and that it is necessary to work hard to consolidate reform results, complete relevant auxiliary projects to support the reform, make further improvements, and promote the growth of the new structure. For this purpose, the Central Committee has formulated a series of specific principles and measures for deepening the reform and put forward a proposal on "establishing reform experimental zones in a planned way." The experimental zones are designed for the leadership to work in cooperation with the masses to collect useful data in the course of actual practice; to use the data as a basis for making decisions scientifically, formulating relevant experimental rules and regulations, and for making party and government policies more specific, better, and permanent; to study various problems in the course of deepening the reform and select feasible ways to enhance reform results; to raise the level of understanding and provide better guidance for rural work; and to accumulate reform experience and apply it in larger areas.

The proposal has had a positive response from all localities. As the central authorities have laid down a principle that experimental zones should not be too many, some localities and the Rural Policy Research Center of the Central Secretariat have jointly and successively decided on 14 reform experimental zones and have reported the decision to the State Council for the record. These are Fuyang Prefecture in Anhui Province; Shanghai County, the Weihe Forestry Administration, and Suibin Farm in Heilongjiang Province; Yutian County in Hebei Province; Liquan County in Shaanxi Province; Guanghan County in Sichuan Province; Meitan County in Guizhou Province; Nanhai County in Guangdong Province; Wuxian County, Wuxi County, and Changshu City in Jiangsu Province; Wenzhou City in Zhejiang Province; and Yulin City in the Guangxi Zhuang Autonomous Region.

It is reported that those provinces and autonomous region have set up leading groups for the work, led by responsible persons of provincial and autonomous

regional party committees and governments. They have also set up working staffs consisting of personnel from various departments. In the course of formulating the reform experiment plans, those localities have organized specialized personnel to conduct systematic surveys and repeated feasibility assessments. At present, most experimental zones have finalized the details of their experimental projects and put forward experimental plans. Some of them have begun to implement their plans.

Some experimental zones are engaged in comprehensive experiments, while others are doing experiments on specific projects, involving the building of the rural enterprise managerial system; the reform of the farm product circulation system; the reform of financial structure, modernized management, and the use of large areas of land; perfection of rural cooperative organizations; the building of the land contract managerial system; and the reform of the managerial system of state farms and forestry administrations. Attention has been paid to both the consolidation of reform results and the exploration of new reform approaches. The reform experimental zones show our efforts to improve some systems, regulations, and organizations at the same time, and to promote reform and economic development simultaneously.

The Rural Policy Research Center of the Central Secretariat and the Rural Development Research Center of the State Council recently cosponsored a meeting to exchange information on China's rural experimental zones. The meeting summed up the experimental work in the preceding stage and arranged the experimental work for the next stage. The participants in the meeting unanimously held that investigations and studies in the preceding stage have enhanced their understanding of the problems of rural economic development, the obstacles to reform, and the objectives of reform, and the enhanced understanding will greatly help them improve their guidance for rural reform. They said that they would improve and revise the experimental plans and do down-to-earth and meticulous work to run the experimental zones well.

#### Article Discusses Human Rights

HK141556 Beijing GONGREN RIBAO in Chinese  
4 Sep 87 p 3

[Article by Ye Ning (0673 1337): "Reflections on Human Rights"]

[Text] The term 'human rights' means the basic rights of man, and refers primarily to individual liberty and other democratic rights. As a form of superstructure built upon economic foundations, human rights are not only a kind of social consciousness, but are also manifested through social systems, as well as in various types of rules and regulations. Similarly, just as the development of human society is unending, human rights are not something that are completed in capitalist society. They attain even greater expansion in socialist society. When communism, in the true sense of the word, is realized, the time

will come when individual liberty and other democratic rights are truly realized, and the question of human rights thoroughly resolved. This will be the era of what Marx envisioned as from each according to his ability, and to each according to his needs. Thus, at every stage in the course of social development, there are no abstract human rights, but concrete human rights of a definite historical category. In a class society, it is not possible for the human rights issue not to have the hallmark of class. While two opposing classes may share some common points in order to uphold the most fundamental and most elementary demands concerning human rights for the survival of mankind, essentially speaking, the two opposing classes have diametrically opposed definitions of human rights.

In a socialist society, the working class has taken control of state power, abolished the system of private ownership of the means of production, and established the public ownership system. Therefore, the working people themselves decide their rights and destiny, and become the masters of the state and society. The basic rights of man thus receive further development and realistic guarantees—these being fully embodied in our country's Constitution. Take the example of the right to vote and to be elected. In the capitalist state of the United States, various restrictions are imposed in relation to the voter's financial status, length of residency, level of education, age, race, sex, occupation, and religious beliefs. Hence, the rate of voter turnout is relatively low, with only 52.9 percent in 1984. On the other hand, our country's Constitution stipulates that a citizen who is 18 years of age has the right to vote and be elected to office, regardless of race, sex, occupation, family background, religious beliefs, educational attainment, financial status, and length of residency. The rate of voter turnout is very high, with sample surveys showing a 96.56 percent turnout in county level direct elections. This makes for a sharp contrast with the so-called most democratic capitalist state, the United States, and also fully indicates that the citizens of our country are highly conscious of human rights, and that the human rights system in our country is unparalleled in its truthfulness, broadness, and democratic nature. Naturally, it also cannot be denied that at some times and in some places in our country, conditions where reality is divorced from, and even contradictory to, the system do exist. During the 10-year catastrophe, human rights were gravely trampled upon and the experience was devastating. Since the 3d Plenary Session of the 11th Central Committee, our country has restored order and strengthened the building of the democratic legal system. The basic rights of man have been reaffirmed and further developed—this is also an irrefutable historical fact.

It should also be stressed that the development and guaranteeing of human rights, which is a product of human civilization, is also a gradual process. The same is true of socialist society. We cannot hope to settle the human rights issue in a day. It is necessary to proceed from reality in China, and to comprehensively take into account the various factors in history and reality, in

politics and culture, and so on. The realization and guaranteeing of human rights in socialist society should also emphasize adherence to the unity of rights and obligations. Only when everyone fosters civic consciousness and voluntarily executes his civic obligations can the realization of human rights be assured.

#### **Leaders Stress Education for Xizang**

*OW150355 Beijing XINHUA Domestic Service  
in Chinese 1622 GMT 14 Sep 87*

[By ZHONGGUO JIAOYU BAO reporter Zheng Baosheng and XINHUA reporter Yang Zhaobo]

[Text] Beijing, 14 Sep (XINHUA)—The second work meeting on aiding Xizang sponsored by the State Council closed today after 5 days in session.

Leading Comrades Wan Li, Li Peng, Hu Qili, Zhou Guohong, and Qian Changzhao met with meeting participants at the Great Hall of the People this morning. Comrade Wan Li made an important speech.

Wan Li said: In the past 3 decades since its liberation, central and local governments have provided Xizang with tremendous assistance in manpower and material resources to support its economic and cultural construction. However, compared with other regions, especially developed coastal regions, the pace of Xizang's development has been quite slow. Primarily, the lack of skilled personnel and inconvenient transportation are to blame for this.

After citing many successful examples, both at home and abroad, of developing the economy by training skilled personnel and promoting education, Wan Li stressed the vital importance of professional personnel in developing a backward area. A large number of educated, skilled personnel is needed to eliminate Xizang's backwardness.

How can the cultural standards of the people in Xizang be raised and its economy developed? Wan Li said that it is necessary to begin with education. Xizang must rely on itself in promoting education. It should cut down expenditures in other undertakings to promote education. Moreover, other regions in the country may help Xizang popularize education by accepting Tibetan youth to study in their schools. By so doing, youth from Xizang may broaden their vision and study modern science and technology. From a long-standing point of view, the aid is of strategic significance because it will benefit material construction and cultural modernization in Xizang. It is hoped that Tibetan and Han compatriots will make concerted efforts in running special classes for Tibetan youth until Xizang no longer needs assistance.

Praising Tibetan compatriots for their diligence, bravery, and wisdom, Wan Li said: Xizang is an important part of China with rich natural resources. We must work together to build Xizang into a prosperous, civilized region of the socialist community. To this end, Xizang must implement the central authorities' policies of invigorating the domestic economy and opening to the outside world in developing its economy. At the same time,



it is also necessary to open Xizang's education and culture and strengthen the friendship and unity of the Han and Tibetan nationalities.

During the meeting, participants discussed "Suggestions Concerning Several Questions on Reform and Education in Xizang," as well as a report on the "(Draft) Plan for Aiding Xizang's Education by Relevant Departments in Other Regions." On 12 September, vice governors and vice mayors from inland provinces and municipalities and officials from education departments attending the meeting briefed central leading comrades at Zhongnanhai. After listening to the briefings, Comrades Li Peng and Hu Qili made important speeches.

Hu Qili said: To make determined efforts to train a large number of skilled Tibetan personnel and experts is a pressing task for Xizang's modernization as well as a long-range plan and a major guarantee for the Tibetan people to fully exercise their right of national autonomy and truly become their own masters.

Hu Qili said: In promoting education in Xizang, it is necessary to proceed from its reality and gear up to the needs of its economic construction. Attention should also be given to the work in the following aspects: First, it is necessary to properly handle the relationship between quantity and quality. Promotion of education in Xizang is, to a large extent, affected by the limited number of qualified teachers. Therefore, quality should come first. We would rather train fewer but better skilled personnel. Second, it is necessary to stress efficiency rather than speed. While placing education as an important item on the agenda, we must also pay keen attention to efficiency and use the limited resources for projects which will yield the best results within a relatively short period of time. Third, it is necessary to give priority to popularizing education instead of raising standards. Efforts should be concentrated on primary and secondary education and basic education. It is necessary to provide manpower, material, and financial resources to promote basic education, especially in border counties. It is also necessary to set up various vocational schools at all levels and train skillful craftsmen in all fields to meet the urgent needs of Xizang's social construction.

Hu Qili said: Assistance is two-way traffic. Various regions across the country have assisted Xizang, and Xizang has supported various regions. Han and Tibetan nationalities are united as one. The educational assistance to Xizang has great importance in safeguarding the unification of the motherland, the unity of different nationalities, and the safety of China's southwest border; it will improve the Tibetan people's material and cultural life. It is the wish of the Tibetan people and the historical responsibility of the entire country.

Hu Qili said: In helping Xizang promote education, it is necessary to pay attention to Tibetan language education, as well as its history and culture, for the genuine development of the Tibetan nationality and the training of Tibetan cadres to administer the work in Xizang. We

must encourage Tibetan youths to foster lofty ideals and study useful skills to contribute to the building of a new, civilized Xizang.

Li Peng said: The special classes in inland provinces and municipalities for Tibetan youth are a supplemental measure and will only train a small number of backbone forces to strengthen the unity of nationalities and promote economic and cultural construction in Xizang. Xizang must rely primarily on itself to train the professional personnel it needs.

#### **Text of Archives Law Published**

OW111111 Beijing XINHUA Domestic Service  
in Chinese 0524 GMT 6 Sep 87

[Text] Beijing, 6 Sep (XINHUA)—Archives Law of the People's Republic of China—adopted by the 22d Session of the 6th National People's Congress Standing Committee on 5 September 1987

#### **Chapter 1. General Provisions**

Article 1. This law is formulated to improve the management, collection, and assortment of archives and to effectively protect and use archives to serve socialist modernization.

Article 2. The archives described in this law refer to genuine historical records in various languages, or materials in the form of diagrams and audio and video recordings of past and present state organs, social organizations, and individuals of their political, military, economic, scientific, technological, cultural, religious, and other activities, which are valuable to the state and society.

Article 3. All state organs, Armed Forces, political parties, social organizations, enterprises, institutions, and citizens have the duty of safeguarding archives.

Article 4. People's governments at all levels should strengthen their leadership over archives work and include the development of archives in their economic and social development plans.

Article 5. In archives work, it is necessary to adhere to the principle of unified leadership and separate-level management to ensure intactness and safety of archives and serve users in all quarters of society.

#### **Chapter 2. Organizations in Charge of Archives and Their Duties**

Article 6. The National Archives Administrative Department shall take charge of, organize, coordinate, supervise, and guide the country's archives work, and formulate overall plans and unified systems for archives work.

The archives administrative departments under people's governments at and above the county level shall take charge of archives work of their respective administrative regions, and supervise and guide the archives work of government organs, mass organizations, enterprises, and institutions in their respective regions.



Township, nationality township, and town people's governments shall assign fulltime personnel to maintain their own archives and supervise and guide the archives work of their subordinate units.

Article 7. The archives offices or archivists of government organs, mass organizations, enterprises, institutions, and other organizations shall take charge of the archives of their respective organizations and supervise and guide the archives work of their subordinate units.

Article 8. Central and local archives offices of various categories at and above the county level are cultural institutions for overall archives management, and are responsible for the receipt, collection, assortment, and safekeeping of archives and for providing the archives in their custody to users.

Article 9. Archivists should be devoted to their duties, abide by discipline, and have professional knowledge.

Organizations and individuals who make outstanding contributions in the collection, assortment, protection, or utilization of archives should be rewarded by the people's governments at various levels.

### **Chapter 3. Management of Archives**

Article 10. Materials of an organization that should be filed according to government regulations must normally be turned over to the archives office or archivists of the organization for overall management. Nobody is permitted to keep such materials as his or her own property.

It is prohibited to file any materials that, according to government regulations, should not be filed.

Article 11. Government organs, mass organizations, enterprises, institutions, and other organizations must regularly turn over their files to archives offices according to government regulations.

Article 12. Any cultural relics, books, or other materials in the custody of museums, libraries, or memorial halls which are considered to be archives in nature may remain in those organizations for safekeeping according to law and administrative regulations.

Archives offices and the aforesaid organizations should cooperate with each other in using those materials.

Article 13. Archives offices of all levels and categories as well as archives offices of government organs, mass organizations, enterprises, institutions, and other organizations shall set up a scientific management system to facilitate the utilization of archives, install necessary facilities to ensure the safety of archives, and adopt advanced technology to modernize management of archives.

Article 14. Management and utilization of confidential archives, and changes in their classification and declassification, shall be handled in accordance with related state security laws and administrative laws and regulations.

Article 15. The principles for evaluating the preservability of archives, standards for the period of preservation, and procedures and methods for the disposal of archives shall be drawn up by the State Archives Administration. Unauthorized disposal of archives is prohibited.

Article 16. Collectives and individuals who own archive materials that concern the state or society, are worthy of preserving, or should be kept confidential, shall take proper care of them. If the preservation conditions of such archives are poor or, for some reason or other, deemed harmful or unsafe, the State Archives Administration shall be authorized to take measures, such as by taking custody of such archives, to ensure their integrity and safety. If necessary, the State Archives Administration may acquire these archives through purchase or mandatory purchase.

Owners of such archive materials may deposit them with or sell them to the archives offices concerned. They are prohibited to sell such archives for profit or to foreigners without authorization.

Those who donate such archive materials to the state shall be rewarded.

Article 17. It is prohibited to sell archives belonging to the state.

Exchange, transfer, and sale of reproductions of archives shall be done in accordance with state regulations.

Article 18. Archives belonging to the state or those as described in Article 16 of this law, as well as their reproductions, shall not be taken out of the country without authorization.

### **Chapter 4. Utilization and Release of Archives**

Article 19. Archives kept at state archives offices are generally released to the public after 30 years. Economic, scientific, technological, and cultural archives may be released in less than 30 years. Archives which involve state security or major interests and which are not suitable for release when due may be kept confidential for more than 30 years. The specific storage periods for such archives shall be set by the State Archives Administration with the approval of the State Council.

Archives offices shall create favorable conditions and simplify procedures for the utilization of their archives.

Citizens and organizations of the People's Republic of China with valid certification may use released archives.

Article 20. When required by their work which has to do with economic construction, national defense, teaching, scientific research, or other fields, government organs, mass organizations, enterprises, institutions, and other organizations, as well as citizens, may use archives not yet released by archives offices as well as archives kept by government organs, mass organizations, enterprises, institutions, and other organizations concerned, in accordance with related regulations.

Regulations governing the utilization of unreleased archives shall be drawn up by the State Archives Administration and concerned authorities.

Article 21. Units and individuals who turn over, donate, or deposit their archive materials with archives offices have priority in using them. They may also set limits on the use of archives that are not suitable for release to the public. Archives offices shall protect their legitimate rights.

Article 22. Archives belonging to the state shall be released by archives offices or related organs authorized by the state; without the permission of archives offices or related organs, no organization or individual can release them.

Collectives and individuals may release their archive materials in accordance with related state regulations without damaging state security and interests or violating other people's legitimate rights.

Article 23. Archives offices of all categories and all levels shall have researchers, pay attention to the research and assortment of archives, compile archive materials in a planned manner, and publish them for use by various circles.

#### Chapter 5. Legal Responsibilities

Article 24. Administrative disciplinary action shall be taken in dealing with any of the following offenses according to their seriousness; whoever causes losses shall be asked to compensate for the losses; and whoever commits a crime shall be dealt with according to law:

- (1) damaging, losing, or destroying without authorization any state-owned archives;
- (2) releasing, copying, or making public any state-owned archives without authorization;
- (3) altering or forging archives;
- (4) selling state-owned archives;
- (5) selling archives for profit, or selling archives to foreigners without permission;
- (6) smuggling out of China any archives, or their copies, that are prohibited from leaving the country; and
- (7) loss of archives due to an archivist's neglect of duty.

The offenses described in items (5) and (6) may also be subject to administrative disciplinary measures by the state administrative organs concerned.

#### Chapter 6. Supplementary Provisions

Article 25. Rules for the implementation of this law shall be formulated by the State Archives Administrative Department and be put in force with the approval of the State Council.

Article 26. This law shall come into force on 1 January 1988.

### East Region

#### **Fujian's Chen Guangyi Meets Japanese Visitors**

OW141415 Fuzhou FUJIAN RIBAO in Chinese

2 Sep 87 p 1

[Dispatch by reporter Li Fanglin]

[Excerpts] Chen Guangyi, secretary of the provincial party committee, met with Isamu Takada, governor of Nagasaki Prefecture, Japan, and other members of an economic exchange group visiting from that prefecture yesterday morning at the reception hall of the provincial party committee. [passage omitted]

Among those present on the occasion were Wu Jingang, Zhuang Nanfang, Ren Ziyu, and Zhang Shoushan.

#### **Shandong's Liang Buting in Disaster Areas**

SK150354 Jinan DAZHONG RIBAO in Chinese

1 Sep 87 p 1

[Excerpt] On the afternoon of 31 August, Liang Buting, secretary of the provincial party committee, and Jiang Chunyun, provincial acting governor, went to Feicheng County, which had been hit by a tornado, to inspect the disaster situation. He expressed sympathy and solicitude for the victims and encouraged cadres and people to actively provide for and help themselves by engaging in production and to rebuild their homes. [passage omitted]

### Central-South Region

#### **Shenzhen Dismisses Officials for 'Mistakes'**

OW130247 Beijing XINHUA in English 0235 GMT

13 Sep 87

[Text] Shenzhen, September 13 (XINHUA)—Two officials in Shenzhen, Guangdong Province, have been disciplined for "serious bureaucratic mistakes" causing enormous economic losses to the state, according to a decision of the city leadership.

Dong Rui was dismissed from his post as the secretary of the Chinese Communist Party Committee of the city Petro-chemical Industry Company and as the deputy manager of the company, according to the decision of the Shenzhen City party committee and the city government.

Another official, Tang Xuekui, was dismissed from his post as the deputy general manager of the city foodstuff trading (group) company and as a member of the company party committee.

Dong Rui hired Liu Jun, whom he knew little about, as the manager of the petro-chemical supply and trading company, a subsidiary of the city Petro-chemical Industry Company. Liu resold for profiteering cars imported by Hainan Island officials and embezzled public money.

Although knowing all this, Dong took no action to stop Liu from criminal activities, causing a loss of 62.3 million yuan (about 17 million U.S. dollars) to the enterprise.

Without investigating the credibility of his business partners or analysing the feasibility of a deal, Tang Xuekui recklessly signed a contract to jointly export five million to 10 million tons of corn with Macao businessmen and a Shenzhen firm. This caused a loss of 7.81 million yuan (about 2.11 million U.S. dollars) to the state.

#### **Hong Kong Man Executed in Shenzhen for Rape**

HK130146 Hong Kong SUNDAY STANDARD

in English 13 Sep 87 p 1

[Excerpt] A Hong Kong man was yesterday executed by firing squad in Shenzhen after he lost an appeal against his conviction for rape and attempted murder.

Chu Hon-shing, 31, was found guilty of raping and trying to kill a 20-year-old female taxi driver three months ago.

His verdict and death sentence were confirmed by the High People's Court of Guangdong Province, sitting at the Shenzhen Stadium yesterday morning.

The proceedings attracted a crowd of more than 20,000.

Speaking prior to the announcement of Chu's sentence, the Vice Mayor of Shenzhen, Mr Li Guangzhen, said deterrent sentences are necessary to curb the activities of criminals in society. [passage omitted]

#### **Vietnamese Refugees Return to Guangdong**

OW112123 Beijing XINHUA in English 1555 GMT

11 Sep 87

[Text] Shenzhen, September 11 (XINHUA)—Vietnamese refugees on Chinese farms who have gone to Hong Kong recently are being repatriated under an agreement between Guangdong Province and Hong Kong. *Xinhua* learned today.

Over the past 20 days, nine groups of 3,200 refugees—about 60 percent of the total who have gone to Hong Kong—have been repatriated.

All of them are from farms in Guangdong Province, and the rest, mostly from farms in Fujian and Yunnan Provinces, are expected to return in the next two months.

#### **22 Henan Cadres Punished for Corruption**

OW150758 Beijing XINHUA in English 0742 GMT

15 Sep 87

[Text] Zhengzhou, September 15 (XINHUA)—Twenty-two officials of the Communist Party of China (CPC) in Pingdingshan, Henan Province, have received disciplinary and legal penalties for corruption.

The Pingdingshan City party committee has ferreted out 39 bribery cases since the CPC Central Discipline Inspection Commission decided to launch a nationwide crackdown in July.

A city party committee official said here today that a total of 77,000 yuan (about 20,800 U.S. dollars) changed hands, of which 60,000 has been recovered. The city authorities have also recovered 370,000 yuan in evaded taxes.

The 39 cases involved 42 officials, including 22 party members, the official said. Now, 10 of the 22 party members have been arrested, two expelled from the party and the rest disciplined, he added.

Zhao Changchun, one of the two arrested, began serving as a section chief of the city Finance Bureau in July 1984 and received 5,604 yuan in bribes from 11 enterprises since October of that year.

Wu Xuefeng, also arrested, was the former deputy director of the Beidu Township tax office and accepted 13,000 yuan in bribes within two years. All the office's six workers are accused of taking bribes.

**Mao Zhiyong at Hunan Foreign Trade Talks**  
*HK130515 Changsha Hunan Provincial Service*  
*in Mandarin 2300 GMT 12 Sep 87*

[Excerpts] The second Hunan provincial talks on foreign economic relations and trade concluded in Changsha on 12 September after 8 days in session. Export business done during the talks amounted to \$71 million, exceeding the original plan by some 40 percent. Good achievements were also scored in the use of foreign trade, importation of technology, and technological exports. [passage omitted]

The provincial party committee and government leadership attached great importance to these talks. Mao Zhiyong, Xiong Qingquan, and Chen Bangzhu listened to numerous reports on the progress of the talks and also accompanied foreign businessmen in visiting various units and invited them to forums to hear their views. [passage omitted]

**Southwest Region**

**Xizang Meets on Nationalities Affairs**  
*OW111105 Beijing XINHUA Domestic Service*  
*in Chinese 0733 GMT 9 Sep 87*

[By reporters Ma Ningxuan and Pi Deyi]

[Excerpts] Lhasa, 9 Sep (XINHUA)—Xizang Autonomous Region held a meeting on united front, nationalities, and religious affairs in Lhasa from 25 August to 5 September. This was the largest meeting of its kind since the establishment of Xizang Autonomous Region. NPC Standing Committee Vice Chairman Ngapoi Ngawang Jigme, Deputy Head of the United Front Work Department under the CPC Central Committee Wu Lianyun, and Vice Minister of the State Nationalities Affairs Commission Zhuo Jia spoke at the meeting.

The meeting focused on summing up Xizang's successes in comprehensively implementing the party's policies on united front, nationalities, and religious affairs since the

3d Plenary Session of the 11th CPC Central Committee. The meeting maintained that the current situation in united front, nationalities, and religious affairs in Xizang is one of the best in its history. A gratifying situation has emerged in which construction, unity, prosperity, and civilization have created a new Xizang through the joint efforts of a large contingent of both party members and nonparty personages. [passage omitted]

Over 300 persons participated in the meeting. Among them were principal leading comrades of Xizang Autonomous Region's party, government, and military; principal leading comrades of its prefectures, cities, and counties; and leading comrades of united front, nationalities, and religious affairs departments.

**North Region**

**Beijing's Li Ximing at Party Data Meeting**  
*SK150340 Beijing BEIJING RIBAO in Chinese*  
*6 Sep 87 p 1*

[Excerpt] "Enhancing understanding, strengthening leadership, and further deepening the development of the municipal party historical data," was the demand set forth by Comrade Li Ximing, secretary of the municipal party committee, for party organizations at all levels throughout the municipality at the Beijing Municipal meeting on party historical data work which ended yesterday.

Some 600 people attended the meeting, including members of the municipal committee for collecting party historical data under the municipal party committee; leading comrades of various departments and committees under the municipal party committee and party committees (party groups) of various districts, counties, bureaus (general companies), colleges and universities; responsible persons of the party history office; and some veteran cadres.

The meeting was presided over by Jin Jian, deputy secretary of the municipal party committee.

Also attending the meeting were municipal leaders, including Zhang Mingyi, She Diqing, Zhang Dazhong, Gao Ge, An Lin, and Gan Ying. Ma Shijiang, vice chairman of the Central Commission for Collecting Party Historical Data, also attended the meeting. [passage omitted]

**Hebei's Xing Chongzhi Meets Model Heroes**  
*SK150918 Shijiazhang HEBEI RIBAO in Chinese*  
*3 Sep 87 p 1*

[Excerpts] On the morning of 1 September, more than 2,000 persons in the provincial capital gathered together at the new auditorium of the No 1 Workers Palace to hear reports given by the Beijing Military Region's model heroes report group. [passage omitted]

After listening to reports on the deeds of model heroes, Yue Qifeng, deputy secretary of the provincial party committee, gave a speech at the meeting. He said:



Spiritual strength is imperative for all nations. In building socialism with Chinese characteristics, we badly need such powerful spiritual strength. The broad masses of PLA commanders and fighters, particularly the units of model heroes and heroic figures, have taken the lead in displaying the lofty patriotic spirit, the dedicated spirit, the spirit of plain living and hard struggle, the spirit of collectivism, and the spirit of strictly observing law and discipline. We should popularize such valuable spirit to all social quarters, and use it to educate and inspire the people throughout the province and to accelerate reform and the four modernizations drive.

Comrade Yue Qifeng called on the party committees and governments at all levels to make extensive use of various forms of reports and propaganda meetings as well as radio broadcasts, television, and press, to publicize and study the revolutionary spirit of the PLA units in line with reality, and to develop it in the course of conducting reform and all fields of work. He called for deepening the activities of supporting the Army and giving preferential treatment to families of martyrs and servicemen and of supporting the Army and the front, and further strengthening unity between the Army and the government, and between the Army and the people.

On the evening of 28 August, leading comrades, including Xing Chongzhi, secretary of the provincial party committee, visited all report group members at their boarding places.

The model heroes report group left Shijiazhuang for Shanxi to give reports on 2 September.

#### **Xing Chongzhi on Enterprise Reform**

*SK150422 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 20 Aug 87*

[Excerpt] From 16 to 18 August, Xing Chongzhi, secretary of the provincial party committee, successively inspected Handan Prefecture's Yongnian, Qixian, and Chengan Counties to understand the situation of enterprise reform and held talks with some prefectural and county party and government leaders and some plant directors to solicit their opinions and jointly study the great program for reform.

Since the beginning of this year, Handan Prefecture has persistently introduced the competition mechanism into enterprise reform and has enthusiastically and steadily carried out the management responsibility system based on public bidding and contract among industrial and commercial enterprises. There are now 321 enterprises under the jurisdiction of the units at or above the county level that have signed management contracts, or more than 40 percent of the prefecture's total state enterprises at or above the county level. [passage omitted]

#### **Hebei Congress Committee Meeting Ends**

*SK150502 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 29 Aug 87*

[Excerpts] The 29th Standing Committee meeting of the 6th provincial People's Congress ended in Shijiazhuang City on 29 August.

The meeting preliminarily examined and discussed the draft regulations on the functions of the local people's congresses at or above the county level and their Standing Committees for exercising supervision; and heard the report on the election of the next people's congresses at the county and township levels. After hearing and discussing the provincial government's report on the implementation of the national economic plan during the January-July period, the meeting called on the governments at various levels to adopt effective measures for continuously waging the struggle against disasters, strengthening the management of autumn crops, achieving wheat sowing, further examining and implementing the grain purchasing policy, and arousing the peasants' enthusiasm for combating the disasters and growing grain. It also called for efforts to strengthen the management of industrial enterprises; accelerate the progress of contracted management; conscientiously launch the campaign of increasing production, practicing economy, increasing revenues, and reducing expenditures; and work hard in order to ensure the fulfillment or overfulfillment of the annual planned tasks. [passage omitted]

The meeting also heard and discussed the provincial government's report on family planning work. The meeting stressed that leaders at various levels should further enhance the thinking that the family planning work is the basic policy of the state, strictly and tightly control the population growth rate, and adopt effective measures for resolutely correcting the tendency to let things slide in order to ensure the realization of this year's population plan and to make the province's population growth rate suit the demands of its economic and social development.

Personnel appointments and removals were adopted at the meeting. The meeting decided to dismiss Zhang Zhibo from the post of director of the provincial Judicial Department; and to appoint Xiao Jianzhang as director of the provincial Judicial Department.

Attending the meeting were Wu Qingcheng, Yue Zongtai, Zhang Zhenchuan, Pan Chengxiao, Liu Ying, Han Qimin, Du Benjie, and Wang Youhui, vice chairmen of the Standing Committee of the provincial People's Congress.

#### **Tianjin's Li Ruihuan on Market Supply**

*SK140056 Tianjin TIANJIN RIBAO in Chinese 27 Aug 87 p 1*

[Excerpts] Yesterday afternoon the municipal government convened an office meeting of the mayor and vice mayors to study how to continually stabilize the municipality's commodity prices and improve its market supply. The meeting called on all departments and state-owned enterprises in the municipality to unify their thinkings, fulfill their duties, and contribute to keeping and developing the municipality's excellent situation of stable commodity prices and flourishing market supply.

Mayor Li Ruihuan presided over the meeting. Attending were Comrades Nie Bichu, Zhang Lichang, Yao Jun, Liu Jinfeng, Lu Xuezheng, Li Changxing, and Huang

Yanzhi. Participating in the meeting as observers were Shi Jian, vice chairman of the municipal People's Congress Standing Committee; Kang Tiejun, vice chairman of the municipal CPPCC Committee; and responsible comrades of the municipal trade unions and youth and women's organizations.

At the meeting, responsible persons of the municipal Commodity Prices Bureau and the municipal Commercial Commission reported the current situation on commodity prices in the municipality, tasks for pricing departments, and arrangements for market supply. Since the beginning of this year, the municipality has continually maintained the stability of commodity prices and the prosperity of markets. According to an announcement of a pertinent state department, the rise in retail prices in the municipality has been lower than any other large and medium-sized city; has been lower than the rise during the corresponding period last year; and has been lower than the target demanded by the state and defined by the municipal government. [passage omitted]

In order to ensure an ample supply of goods on the market and the stability of commodity prices, make consumers truly benefit from commodity supply, and continually maintain and develop the municipality's good trend in market supply and commodity prices, the meeting of the mayor and vice mayors has adopted the following decisions:

1. All departments, localities, and units in the municipality should fully understand the great significance of stable commodity prices and good market supply; should implement the guidelines of the State Council's instructions to the letter; should strive to fulfill all their duties; and should resolutely ensure stable commodity prices, the rich array of commodities, and quality services in order to set the masses' mind at rest.

2. All government departments and state-owned industrial and commercial enterprises should take the lead in implementing pricing policies. At present, one of the major reasons some localities have failed to check the random price increases is that a few departments and state-owned enterprises have refused to play their role in guiding the market and stabilizing commodity prices. Worse still, a handful of departments and state enterprises have taken the lead in driving up prices and have colluded with lawless traders to disturb the market. Such cases must be checked resolutely and dealt with seriously. All state-owned enterprises must set an example in observing discipline and laws in order to contribute to maintaining the good reputation of the municipality's markets.

3. We should strengthen control over commodity prices, ban unlicensed businesses, deal blows to illegal dealings, and protect legal business dealings. We should deal stern blows to such unlawful practices as driving up prices and infringing upon the masses' interests. Once such cases come to light, they must be dealt with without any

leniency regardless of where they occur—state enterprises, collective enterprises, or private businesses. In particular, more-severe blows should be given to those lawless persons who collude with others to indulge in illegal businesses, dominate markets through cheating, and seriously disturb the market. [passage omitted]

4. We should encourage the masses to supervise and control the market. People throughout the municipality should be concerned with and take active part in controlling commodity prices. [passage omitted]

5. Industrial, commercial, pricing, and public security departments should cooperate with one another to consolidate the market comprehensively. [passage omitted]

6. We should vigorously promote reform, which is the basic way to solve the problems of the market. [passage omitted]

At the meeting, Mayor Li Ruihuan delivered an important speech. He fully affirmed various departments' endeavor to improve market supply and stabilize commodity prices and thanked the people throughout the municipality for their vigorous support to the work of the municipal government. Having emphatically expounded the extremely important nature of commodity prices and market supply, he pointed out: This is not only an economic issue, but also a major political issue. If we fail to solve problems concerning market supply and commodity prices, the people's mind will not be at ease, society will become unstable, and all the work will come to a complete mess. This is the major truth, and all of our work should be submitted to it. Stabilizing commodity prices is the wish of the vast number of the masses. No matter how many reasons there may be, the masses' wish cannot be violated. He called on all departments and units in the municipality to seriously and conscientiously implement these six decisions adopted by the municipal government on 26 August. We should pay equal attention to economic means, administrative intervention, and ideological work in order to ensure the real implementation of these decisions. The municipal government will constantly inspect the implementation of these decisions, and those who neglect their duties and cause vicious consequences will be dealt with severely. We should make concerted efforts to achieve success in market supply and price control in line with the guidelines of the instructions of the party Central Committee and the State Council in an effort to further consolidate and develop the municipality's excellent situation. [passage omitted]

### Northeast Region

**Heilongjiang CYL Congress Ends 13 Sep**  
*SK150253 Harbin Heilongjiang Provincial Service*  
*in Mandarin 1000 GMT 13 Sep 87*

[Excerpts] After successfully accomplishing all predetermined tasks, the 3-day Eighth Heilongjiang Provincial CYL Congress ended on 13 September.

During the congress, all delegates conscientiously heard and discussed the important speeches by leaders of the provincial party committee; and discussed and approved the work report made by Comrade Wang Donghua on behalf of the Heilongjiang Provincial CYL Committee. In line with the method of voting from a larger number of candidates, the congress elected the Eighth Heilongjiang Provincial CYL Committee and delegates to the 12th National CYL Congress.

Wang Donghua presided over the closing ceremony of the congress. (Jiang Ming) delivered a closing speech.

The congress defined the basic tasks and fighting targets of the province's CYL work and youth movement. The congress called on CYL organizations at various levels to conscientiously implement the tasks set forth at the congress; and to make solid efforts to realize the goal for laying a good foundation for CYL work in the first year, aiming higher in the second year, and creating first-grade work in the third year. [passage omitted]

The First Session of the Eighth Heilongjiang Provincial CYL Committee was held on the afternoon of 13 September. The session elected the Standing Committee of the Eighth Heilongjiang Provincial CYL Committee. Wang Donghua was elected secretary of the provincial CYL Committee; and (Zhao Wenzhong), (Song Enhua), (Jiang Ming), and (Wang Yin) were elected deputy secretaries of the committee.

On the afternoon of 13 September, leaders of the provincial party committee also received all members of the Eighth Heilongjiang Provincial CYL Committee.

**Jilin's Gao Di Inspects River-Taming Work**  
*SK150146 Changchun Jilin Provincial Service*  
*in Mandarin 2100 GMT 10 Sep 87*

[Text] Changchun City's second-phase project of comprehensively taming the Yitong He has been completed ahead of schedule. On the morning of 10 September, leading comrades including Gao Di, Wu Yixia, Liu Cikai, Xu Yuancun, Luo Yuejia, and Wang Jiatong viewed the work done in the project. They highly appraised the work.

The city's second-phase project began on 5 April 1987, when a 7.2 km-long slope protection was built, a 6 km-long earth embankment was reinforced, 16 greenhouses and 66 plastic sheds were built, 34 hectares of riverside land was recovered, 4,000 trees were planted, 2,500 square meters of lawn were laid, and more than 20,000 flowers were planted. The city also revamped the land on the islands of Yueliang, Sandinghe, and Hejin, whose total acreage reached 15 hectares.

During their visit, Comrade Gao Di praised the city party committee and the city People's Government which had done a good deed for the people in the city and for future generations by taming the river. He emphatically pointed out that in carrying out the general project of taming the Yitong He, all infrastructure and facilities that have been

built during the first and second phases should be utilized in a coordinated way and that these infrastructure and facilities should promote the city's beautification, afforestation, and purification program. He urged the city to plant more hawthorn trees not only for tourism but also to achieve economic results and to build Changchun into a city the people ardently love and long for.

During their visit, Comrade Gao Di stressed that the people's city should be built by the people and by waging arduous struggle. Having various units join in bridge and road construction does not mean to apportion expenses to them. This is an undertaking of public interest. Therefore, we should mobilize all people in the city to participate in the construction of Changchun and to build Changchun into a more beautiful city.

**Liaoning's Quan Shuren Lectures on Reform**  
*SK150809 Shenyang Liaoning Provincial Service*  
*in Mandarin 1030 GMT 14 Sep 87*

[Text] The 16-day study class on rural reform for city and county party committee secretaries, sponsored by the provincial party committee, ended in Dalian on 12 August. [as heard] Through study, listening, watching, and discussion, and by integrating theory with practice, the comrades attending the class have further defined that the way to deepen rural reform and rural work during the foreseeable future is to strengthen the foundation for agriculture, popularize intensive farming, improve the service system, and gain more momentum for agriculture.

The comrades attending the class unanimously maintained: At present, the province's rural economic development has already witnessed some changes.

The basic characteristic of these changes is: Changing from the concentrated release, restoration, and compensation of the originally existing production potentials in the past few years to the creation of new conditions for development, thus bringing about a new stage in the development of productive forces. Such changes have set even higher demands on the leading comrades in charge of rural work. In addition to suiting this demand ideologically, these comrades should devote a lot of energy to discovering new ways to develop agriculture, rapidly reorienting extensive and semi-extensive agricultural farming towards the path of intensive farming, and raising the per-unit and gross yield of crops through the intensive management of laborers, materials, science, and technology in an effort to gradually change agricultural production from low input, output, and efficiency to high input, output, and efficiency. At the same time, the rural areas should constantly improve their self-accumulation and self-development capacities, and pay attention to guiding and encouraging collectives and peasant households to accurately handle the relationships between accumulation and consumption and between the immediate and long-term interests in order to create conditions for intensive farming.

The comrades attending the class also felt that during the period when the entire rural economy is undergoing a great transition, corresponding changes should be



effected in the leaders' ideology, work principles, systems, and work methods. Otherwise, it will be difficult for leaders to exercise strong and effective leadership.

During the study class, leading comrades of Muping, Linqu, Zhucheng, and Rongcheng counties introduced their experiences in developing the rural commodity economy. Giving lectures at the class were Quan Shuren, secretary of the provincial party committee; Li Changchun, provincial governor; Dai Suli, chairman of the provincial Advisory Commission; and leading Comrades Li Tao and Li Jun. Among the comrades attending the study class were Sun Qi, deputy secretary of the provincial party committee; Feng Yousong, vice chairman of the provincial People's Congress Standing Committee; and Zhai Qi, adviser to the provincial government.

### Northwest Region

#### Gansu's Li Ziqi at CYL Congress Opening

HK130221 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 12 Sep 87

[Excerpts] The Seventh Gansu Provincial CYL Congress opened in Lanzhou on 12 September. The opening ceremony was attended by Li Ziqi, Huang Luobin, Liu

Bing, Wang Bingxiang, Wang Zhanchang, Yang Zhilin, Li Keru, Pei Jiuzhou, Ma Zulin and other leading comrades. [passage omitted]

(Wang Tongzhi), deputy secretary of the provincial CYL Committee, said in his opening speech: This congress will be guided by the two basic points. Its main tasks are to mobilize CYL members and young people throughout the province to act as pathbreakers in reform, gain merit in the four modernizations drive, and steel and mature themselves in the great cause of invigorating Gansu. We will listen to and discuss the work report of the sixth provincial CYL Committee, sum up work in the past 5 years, study and arrange future work, and elect the Seventh Gansu Provincial CYL Committee and the province's delegates to the National CYL Congress. [passage omitted]

(Hai Fei), secretary of the provincial CYL Committee, delivered a work report on behalf of the sixth provincial CYL Committee. The report reviewed the work since the Sixth CYL Congress and proposed the tasks for the coming period. [passage omitted]

## Further on Journalists' Mainland Visit

### Arrive in PRC

HK150555 Hong Kong HONGKONG STANDARD  
in English 15 Sep 87 p 1

[By Yau Shing-mu and Kathy Chan]

[Text] The Taiwan Government appeared to be in a bind this morning as two Taiwanese journalists arrived in China in a blaze of publicity worldwide and to acclaim from some of the island's leading figures.

The arrival of Mr Lee Yung-teh, 33, and Ms Hsu Lu, 30, of the *Independent Evening Post*, was in defiance of a ban on such travel and stern warnings from Taipei.

The two touched down in Shanghai at 9.10 pm yesterday aboard a China Airlines flight from Tokyo, but their arrival in the Chinese capital was marred by an unexplained delay at Shanghai of more than two hours.

They, however, arrived in Beijing at 12.55 this morning.

As requested, Beijing officials played it cool, with no fanfare at the airport.

Back home, however, national policy adviser to President Chiang Ching-kuo, Mr Tao Paichuan, told the *Standard* that he strongly supported the visit.

"We, Taiwan and China are members of the same family," he said. "We have not been able to keep in touch with each other these past 40 years only for political reasons. We need now a gradual easing of restrictions."

"I think that, politically, these two are doing the right thing. Though it is illegal as the ban has not been officially lifted. I don't think that there will be any harsh punishment on their return."

Professor Chiang Chung-tung of Taiwan National University said there was no law expressly forbidding travel to the mainland.

"The *Evening Post* and the two reporters claim that they are merely going home. After all the Taiwan Government also insists that both sides are part of one country," he said.

Mr Lee heads the newspaper's economics research unit. Ms Hsu is one of his researchers.

Although they are not the first Taiwanese to visit China since the rift, they are the first to do so in a blaze of publicity and in open defiance of the Government.

The *Evening Post* itself described the visit yesterday as "a giant step that will push forward history."

One of its chairmen, Mr Wu Heng-shan, said it was the responsibility of newspapers in Taiwan to report on the situation in China.

The visit may spur other news organisations to send their own reporters to China. Already the general manager of the *Journalist Weekly*, Mr Hu Hung-jen, has said that if there are events and issues worth covering, he will send his own staff in.

The big question for the Taiwan Government is whether this precedent-setting trip will trigger off such rapid developments that its control over the situation might be threatened.

Outwardly Beijing appears to be going out of its way not to make it hard on Taiwan. But it clearly has much more to gain by playing it cool, especially in agreeing to the reporters' request that they be allowed to move freely and that no official functions be laid on for them.

Before leaving Narita Airport only hours after getting visas to enter China, they told reporters: "We would like to cover mainly politics, economics and lifestyles, although there may be things we don't share in common due to the difference of systems for nearly 40 years."

They also said that Chinese authorities had agreed to their requests for non-interference during their two weeks of news-gathering activities.

Ms Hsu had earlier told newsmen they planned to visit Beijing, Shanghai, Guangzhou and Fujian Province which faces Taiwan across the Taiwan Strait. They are guests of the *China News Service*.

The two flew into Tokyo on Friday because there is no direct route from Taiwan to Beijing.

But Chinese officials in Tokyo did not miss the opportunity to announce that "China welcomes the visit of two Taiwan reporters...to Beijing and their news coverage of China."

The strongest comment has come from the pro-communist, Beijing-based wing of the Kuomintang whose secretary-general, Mr Li Ganliu, said: "We strongly support the exchange of culture and personnel between Taiwan and the mainland."

He hoped Taiwan authorities would allow return visits by journalists from the mainland.

Since 1980 Beijing has been making overtures to Taiwan for reunification on terms similar to those given to Hong Kong and Macao.

In line with its policy of "one country, two systems," Beijing has also offered to allow Taiwan to retain its armed forces and its flag.

On the surface Taiwan appears to have been responding to the changed circumstances by lifting some restrictions on contacts and visits by its people.

It has already indicated that restrictions on travel to China will be relaxed soon, except for civil servants and members of the armed forces. An announcement is tentatively scheduled for this week.

But the lifting of martial law on the island and the introduction of some democratic practices also appears to have caused some concern to Beijing.

The result has been a stepped-up campaign to woo the Taiwanese. Last week China announced the opening of a new "reception centre for Taiwanese compatriots" in Zhejiang Province, giving its address and telephone number just in case some Taiwanese want to avail themselves of the service.

#### **Interior Minister on Lifting Ban**

OW130626 Taipei Domestic Service in Mandarin  
2300 GMT 11 Sep 87

[Text] Interior Minister Wu Po-hsiung said yesterday at the Control Yuan that the government will soon announce the lifting of restrictions on visiting relatives on the mainland. He said that this is an initiative taken by the government to cope with the actual situation.

Minister Wu Po-hsiung said that the government has unmitigated sincerity in striving for democracy and freedom because democracy is the most effective weapon in dealing with the Chinese Communists. The results of our assiduous efforts in the past have given us full confidence in dealing with many of our problems in a democratic way. The formulation of the National Security Law reflects another milestone in the political development of our country. Our countrymen should attach importance to the invisible National Security Law and strengthen unity and common understanding among fellow countrymen to ensure a brighter future for our country.

Minister Wu Made a special lecture entitled, Significance of Political Reform in Our Times and Its Future Development at the Control Yuan yesterday.

#### **Policy Further Relaxed**

OW141115 Taipei CHINA POST in English  
10 Sep 87 p 12

[Text] The government has decided to further relax its policy on family visits to Mainland China and will allow most Taiwan residents to go to the mainland, mass-circulation *China Times* reported yesterday.

But the length of their stay on the mainland will be limited, according to another major newspaper, the *United Daily News*.

The *Times* said Premier Yu Kuo-hua will make an official announcement of the policy change soon.

The approval of the ruling Kuomintang's [KMT] policy-making Central Standing Committee is no longer needed after a Cabinet ad hoc committee decided to drop most restrictions on family visits to the mainland, the *Times* said.

Initially, the Cabinet committee had considered allowing only people aged 55 or over who originally came from Mainland China to make such visits, the daily said.

But the committee finally decided to allow Taiwan residents to visit relatives in Mainland China through third countries regardless of age, place of birth, or political affiliation, the *Times* said.

Servicemen and civil servants, however, will still not be allowed to travel to the mainland, it said.

The policy change is tantamount to allowing Taiwan residents to visit the mainland for sightseeing, the *Times* said.

The Cabinet committee was formed after President Chiang Ching-kuo sometime in April or May directed the KMT in his capacity as party chairman to study the feasibility of lifting the travel ban to the mainland.

Meanwhile, the *United Daily News* said local residents who overstay on the mainland will not be allowed to return here.

They will be considered mainland residents and will have to meet some requirements before they will be allowed to return, the newspaper said.

In related news, the Chinese-language *Independent Evening Post* said the ban on mainlanders visiting Taiwan will remain.

Due to security considerations, only mainlanders who have left the mainland and resided in free areas for at least five years will be allowed to visit next of kin here, the *Post* said.

#### **Government Maintains Position**

OW150303 Taipei CNA in English 0234 GMT  
15 Sep 87

[Text] Taipei, Sept. 15 (CNA)—The Republic of China Government will uphold its original position in dealing with the Chinese-language *Independent Evening Post* [IEP], which has dispatched two reporters to gather news on the Chinese mainland, according to relevant laws and regulations, the Government Information Office [GIO] said Monday.

According to the latest reports, Li Yung-teh and Ms. Hsu lu, reporters with the evening paper in Taipei, left Tokyo Monday afternoon for their "coverage tour" of the mainland.

Wu Feng-shan, president of the IEP, called on Government Information Office officials Monday afternoon to explain his paper's stand on the issue.

Wu said his paper now understands better the GIO's stand and will respect the Government's final decision on the issue.

#### **Commentary Advocates Visits**

HK130702 Hong Kong ZHONGGUO TONGXUN SHE  
in Chinese 1359 GMT 11 Sep 87

["Short commentary" by Yi Lan (0122 5663): "Why Does Taiwan Not Lift Restrictions on 2-Way Family Visits and Travel?"]

[Text] Hong Kong, 11 Sep (ZHONGGUO TONGXUN



SHE)—According to AFP, on 10 September, the Taiwan high court sentenced a visitor from Hong Kong to 12 years' imprisonment for, among other things, "encouraging people to visit the mainland." Described by AFP as the "first sedition case handled by a Taiwan civilian court," this was an inharmonious note in Taiwan's relaxing political atmosphere since the lifting of martial law.

Several million Taiwan people have relatives on the mainland. Several opinion polls in Taiwan have shown that most of the respondents would like to visit the mainland. Thus, "encouraging people to visit the mainland" should not constitute a crime. In addition, the Taiwan authorities have indicated that the policy regarding people visiting Hong Kong and Macao and mainland relatives will become more liberal. Thus, one is surprised to learn that Taiwan courts still consider "encouraging people to visit the mainland" as a "crime."

Since they lifted martial law and replaced it with a "national security law," the Taiwan authorities have indicated that they will allow Taiwan residents to go to the mainland for family visits. Although this is not a direct response to the CPC's call for "contacts in three areas," the decision to allow people to visit their relatives in their hometowns is at least humanistic and conducive to ending the confrontation between the two sides. To use a fashionable term, this is also part of an "opening-up policy."

However, it is not enough to allow Taiwan residents to visit the mainland via a third area, because these will be one-way visits. If the Taiwan authorities really intend to benefit the people on both sides of the strait, they should permit two-way visits. This means that they should on the one hand allow Taiwan residents to go to the mainland to visit their relatives via a third area and, on the other, allow mainlanders to go to Taiwan to visit their relatives.

Everyone knows that Taiwan's entrance and departure regulations are very harsh; not only mainlanders are not admitted. There are many obstructions, even for Hong Kong residents: People who have not lived in Hong Kong for at least 5 years are not allowed to go to Taiwan for family visits or travel, and even people who have lived in Hong Kong for a long time are denied the chance to join Taiwan travel groups if it is found that they have ever worked with left-wing organizations in Hong Kong.

Thus, tens of thousands of mainlanders whose birthplace or hometown is Taiwan still cannot return to their hometown although they have always missed their families and relatives across the strait. In addition, of the 2 million mainlanders who crossed the strait in 1949, many were middle-aged when they left the mainland. Now, 38 years later, they are in their 80's. They have difficulty moving about. Some are even bedridden. Thus, they anxiously look forward to seeing their relatives, even if they will have to go to Taiwan via "a third area."

If the Taiwan authorities can confidently allow the people in Taiwan to go to the mainland to visit their relatives, they should, with the same confidence, also allow mainlanders to go to Taiwan to visit their relatives there.

#### Commentary Questions Liberalization

OW150201 Taipei International Service in English  
0200 GMT 14 Sep 87

[Station commentary]

[Text] The new atmosphere of political, economic, and social liberalization in the Republic of China on Taiwan has spawned a pioneering spirit that exudes a high degree of political daring, and not just from the opposition politicians but from majority party folks, the media, and private citizens as well. It all seems that everyone is going bonkers to test how far the government is willing to open up in several areas.

Part of the blame must fall in the government's lap. The liberalization process has begun to snowball somewhat out of control, in the sense the central government is not giving itself enough time to enumerate policies and regulations. This in turn has led people to try to get their hands in the liberalization cookie jar without any lids being heard upstairs.

The latest, quote, sneak attempt, unquote, at a test of liberalization limits comes from the restive folks at the *Independent Evening Post*. On Friday night, the paper ran a front-page story announcing that it had sent two journalists to Peking to gather firsthand reports on Communist China. The news shocked many people, not least of all the Government Information Office [GIO] which oversees the media in the Republic of China on Taiwan. The GIO immediately warned the paper to stop the journalists, citing several rules and regulations that the paper would violate if the two reporters actually land in Peking. The paper has since backed down from saying the reporters would actually go.

This turned out to be the one case where the government came out with a firm response in the negative. In other areas, a less black and white approach has been forthcoming from the government.

A case in point involves the group of political opposition people who last week formed what they daringly called the, quote, Formosan Political Prisoners Association, unquote. The group's members are hardly political prisoners inasmuch as they run around floating their political ploys as free as jaybirds, which is another point all together. What this group really did to draw attention was to issue a call for Taiwan's secession from historic China. This clearly flies in the face of the government's popularly supported one China policy. Policy aside, it is downright illegal to espouse secessionism, yet the government has thus far not moved in any way to punish the breakaway radicals.

The skies are full of test balloons in other areas as well. More and more businessmen are trying to get away with direct trade with Communist China via the high seas of

the Taiwan Straits, and more and more people are going back and forth to the communist-controlled China mainland for private visits with relatives or for sight-seeing. None of these activities are legally sanctioned by the government at present. Athletic associations here have also launched a balloon to test the government's response to letting athletes from communist countries come to Taiwan while letting Taiwan athletes go the other way, including to the China mainland. And finally, despite the ban on formation of new political parties which is still in effect, up to three new parties have been formed by people on both the right and left of the political spectrum.

The appearance is thus given of a liberalization process gone haywire. All kinds of people and groups are coming out of the woodwork to get in on the action. It may be possible, however, that all this is permitted by the government as a means of testing public opinion on the various aspects of the liberalization process. A wait-and-see policy of the government may indeed be the biggest trial balloon of all up there.

**PRC Vessels Continue Provocations off Kinmen**  
*OW150309 Taipei CNA in English 0237 GMT*  
15 Sep 87

[Text] Taipei, Sept. 15 (CNA)—Communist Chinese vessels have continued to harass the Republic of China's [ROC] offshore islands of Kinmen and Matsu, a spokesman for the Ministry of National Defense reported Monday.

The spokesman said that in the week from Sept. 6 through Sept. 13, 856 Communist Chinese vessels intruded into waters around the two frontline islands. In order to ensure the security of the 2 islands, he said, ROC troops stationed there fired 2,135 rounds of ammunition to drive off the intruding vessels.

Although the Communist regime announced its intention to stop bombarding the two islands on Jan. 1, 1979 in an attempt to create a false image of peace in the Taiwan Straits, it has never given up its ambition to take Free China by force, the spokesman said. The regime has continuously sent armed fishing boats and other vessels into waters around the frontline islands to harass and to subvert.

To help people in Taiwan to fully understand the Communist United Front tricks and conspiracy, the spokesman said, the Defense Ministry has decided to issue weekly reports on the provocations of communist vessels in waters off ROC offshore islands.

**Baseball Team Plans To Play in PRC**  
*OW141105 Taipei CHINA POST in English*  
10 Sep 87 p 12

[Text] The nation's top baseball official said the Republic of China [ROC] is preparing to compete in the 16th Asian Amateur Baseball Championships in Peking in 1991, the Chinese-language *Independent Evening Post* reported yesterday.

In a front-page report, the newspaper quoted P.P. Tang, president of the Chinese Taipei Baseball Association, as saying the ROC would agree to help Peking develop Mainland Chinese baseball if no politics were involved.

Political analysts said they were surprised by the announcement, and agreed that Tang would not have made the offers without the prior authorization of high government officials.

At present, local athletes are allowed to compete in Communist countries and territories other than mainland China, which the government here considers to be controlled by a rebel regime.

Conversely, all communist athletes are barred from competing in Taiwan.

The Asian baseball championships in Peking will serve as the qualifying round of the 1992 Barcelona Olympics in which baseball will become an official event.

Observers said the ROC national team stands a good chance to win a medal in the Peking championships and the right to represent Asia in the Barcelona Olympics.

The national team captured the 14th Asian Amateur Baseball Championships in Tokyo earlier this month.

Last month, the Chinese-language *China Times* said the government is considering allowing athletes from Taiwan and Mainland China to travel back and forth for competitions.

**Legislators Want Fair Trade Policy With U.S.**  
*OW140052 Taipei Domestic Service in Mandarin*  
2300 GMT 11 Sep 87

[Text] Seventeen legislators of the Committee on Foreign Affairs of the Legislative Yuan including Legislator Liu Kuo-tsai and others yesterday wrote a letter to the U.S. Senate and House of Representatives, calling on the United States to develop fair trade relations with the ROC [Republic of China] on the basis of mutual benefits and stop forcing the NT dollars to appreciate in value. This activity was initiated by legislators of the Committee on Foreign Affairs of the Legislative Yuan (Chao Tzu-yen) and Teng Li-hao. A total of 17 legislators signed the letter addressed to the speaker of the U.S. House of Representatives and the U.S. Senate majority leader. In the letter, they reminded the United States that no matter what kind of changes the world experiences, a prosperous free China is definitely good for the United States. They said they hope that the United States will deal with this issue from a long-term point of view instead of haggling over the trade issue all the time. The exchange rate between the New Taiwan dollars and the U.S. currency remains stable today at NT\$30 against \$1. Interbank transactions amounted to more than \$86 million, and remained stagnant. This exchange rate has been steadily maintained for as long as 4 weeks since 17 August.

**Government Meets U.S. Import Tariff Cut Plea**  
*OW150317 Taipei CNA in English 0240 GMT*  
15 Sep 87

[Text] Taipei, Sept. 15 (CNA)—The Republic of China [ROC] Government has tentatively agreed to cut tariffs on most of the some 300 imported products for which the U.S. has demanded lower tariff rates, the Finance Ministry said Monday.

A spokesman for the ministry said tariff cuts on the items, some 100 being agricultural and marine products with the remainder industrial products, shows the ROC's sincerity in narrowing its trade gap with the U.S.

According to the spokesman, the U.S. requests for tariff reduction on the 300 products were relayed to the government through the Coordination Council for North American Affairs.

He added, however, that not all of the tariff rates will be reduced by 50 percent as the U.S. has demanded.

The 300 products will be among some 3,400 items included in this year's revised customs import tariff rates, the spokesman said.

The tariff reduction package, the most comprehensive of recent years, is expected to be discussed by the ministry's Tariff Rate Commission later this month and then submitted to the Executive Yuan for approval in mid-October. It will take effect from January next year if it is approved by the Legislative Yuan.

**Premier Yu Orders Review of 'Outdated' Laws**  
*OW110309 Taipei CNA in English 0236 GMT*  
11 Sep 87

[Text] Taipei, Sept. 11 (CNA)—Premier Yu Kuo-hua Thursday directed the Executive Yuan to establish an ad hoc team to review existing laws and regulations that were enacted in extraordinary situations.

At the weekly cabinet meeting, Premier Yu named Hu Kai-cheng, an adviser to the Executive Yuan, to head the team of ranking officials.

Yu instructed the ad hoc team to submit proposals to revise or even to revoke outdated laws and regulations after making a thorough review.

He said that since the emergency decree was lifted, the nation is becoming a freer and more democratic society, and that the heads of all government agencies should take the initiative in reviewing laws and regulations that have become obsolete because of social changes.

Yu had earlier asked cabinet members to pay special attention to reviewing inappropriate laws and regulations at a cabinet meeting held soon after President Chiang Ching-kuo proclaimed the lifting of the nation's emergency decree on July 15.

The premier also asked the Council for Economic Planning and Development to continue reviewing the laws and regulations governing economic and social activities in the country.

**First Sedition Case Since Martial Law Lifted**  
*OW120139 Taipei Domestic Service in Mandarin*  
2300 GMT 10 Sep 87

[Text] The judgment in the first case of sedition tried by the judiciary since the lifting of martial law was pronounced on 10 September. Huang Chien-feng, 51, was sentenced by the Taiwan High Court according to law to 12 years of imprisonment. Huang, a native of Kuangtung Province, arrived in Hong Kong from Kuangchow in 1962 to engage in collecting intelligence under the direction of the Hong Kong branch of the Chinese Communists' *Hsinhua News Agency*. In 1973, he went to Chile to spread communism.

In the summer of 1986, Huang came to Taipei from Hong Kong to work in a restaurant. He passed himself off as an investor here and there to collect our political and economic information. He was arrested by our security organization in May this year and was prosecuted according to law.

**Commentary Says Taiwan Independence Dangerous**  
*OW131101 Taipei Domestic Service in Mandarin*  
2300 GMT 8 Sep 87

[Station commentary: "Advocacy of Taiwan Independence Not Only Dangerous But Also Without Future"]

[Text] Recently the self-styled Formosan Political Prisoners Association wrote the words, Taiwan should be independent, into its charter. The Taiwan High Court's Procuratorate has begun an investigation into this matter. This is the first time that Taiwan's Justice Department invoked the National Security Law During the Period of National Mobilization for Suppression of Communist Rebellion after the lifting of martial law in the Taiwan area.

The second article of the National Security Law stipulates that no assembly or association should violate the Constitution, or advocate communism or division of the national territory. The Procuratorate holds that supporting Taiwan's independence is tantamount to advocating division of the national territory. This is why the Procuratorate took up this case.

We applaud the prompt action and active investigation of the Procuratorate of this matter and believe that public opinion will support its action. We also believe that the Procuratorate will handle this case with impartiality and according to law.

Viewed from any angle, from that of history, culture, blood lineage, language, or from practical considerations, the so-called advocacy of Taiwan independence, is not only impractical but leads to nowhere. Worse still, it gives Communist China an excuse for armed invasion of Taiwan.



For decades, the communists have spared no effort to bring Taiwan under its domination. Their earlier slogan was, Purge Taiwan With Blood. Later they vociferously urged Taiwan to return to the fold of the motherland. Slogans change with times but their objectives remain the same. They even included the so-called appeal, We Must Liberate Taiwan, into their constitution, repeating tirelessly to foreigners that Taiwan is a part of China. Therefore it is out of the question that Communist China will agree to Taiwan independence.

Their opposition to Taiwan independence was made clear in the so-called Shanghai Communiqué. They made it clearer in recent years by claiming that realizing the goal of returning Taiwan to the motherland is one of the three major tasks of the 1980's. Therefore, advocating Taiwan independence will only prompt the communists to use force to realize its so-called task of returning Taiwan to the motherland. Thus, Taiwan independence is not only impracticable but also full of danger.

The communists' favorite scheme is to make use of enemies, claiming that you can buy from a capitalist a rope today with which to hang him tomorrow. They are used to cooperating with the enemies of tomorrow to strike at their present enemies, and to uniting with minor enemies to strike at major enemies. The communists, however, are opposed to the advocates of Taiwan independence, trying to make use of them to realize their intrigues. We hope that our compatriots will raise their vigilance and discard the fallacious views of the advocates of Taiwan independence so as to ensure Taiwan's stability and progress.

The Republic of China has made tremendous achievements in Taiwan by promoting construction according to the three principles of the people. Billions of compatriots on the mainland place their hopes on Taiwan—a land of liberty, democracy, stability, and wealth. We should, under the leadership of our government, unite together and make greater efforts to safeguard the security of Taiwan. We should also strive to enable our compatriots on the mainland to share as early as possible the democratic, free, and rich life under the three principles of the people.

#### **Minimum Restrictions on Forming New Parties**

*OW131401 Taipei International Service in English  
0200 GMT 13 Sep 87*

[Excerpts] The government should put only minimum restrictions on the forming of political parties to fully respect people's rights to engage in political activities. This was decided at a top-level policy coordination meeting Friday between officials of the ruling Kuomintang [KMT] and the cabinet on a draft bill on civic organizations. Minister of State Xiao Tien-tsan, who is in charge of reviewing the draft drawn up by the Ministry of Interior, made a report on the bill at the meeting.

The meeting was presided over by KMT Secretary General Li Huan. Participants debated over how restrictive the bill should be regarding the forming of political parties. Most of them preferred that the bill should have only minimum restrictions. [passage omitted] They pointed out that the right to form political parties should be fully respected, and that therefore it is unnecessary for restrictive regulations.

#### **President Receives Costa Rican Legislator**

*OW120307 Taipei CNA in English 0235 GMT  
12 Sep 87*

[Text] Taipei, Sept. 12 (CNA)—President Chiang Ching-kuo Friday received Costa Rican Legislative Assembly President Fernando Volio Jimenez and his wife at the presidential office.

President Chiang told Volio that as Costa Rica and the Republic of China [ROC] have long maintained cordial relations, his visit here will further promote cooperative relations and friendship between the two countries.

The president also exchanged views with Volio on the current world situation and economic and trade problems between the two nations.

Volio said he was deeply impressed with the achievements and progress the ROC has made in economic, cultural and other fields, which he has observed during his visit here.

Also present were Presidential Secretary General Shen Chang-huan and Vice Minister of Foreign Affairs Steven P. Wang.

**END OF  
FICHE  
DATE FILMED**

16 Sep 87

